UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

[Check one]

o REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

x ANNUAL REPORT PURSUANT TO SECTION 13(a) or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011 **Commission File Number 0-10321**

KINROSS GOLD CORPORATION

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English (if applicable))

Province of Ontario, Canada

(Province or other jurisdiction of incorporation or organization)

1041

(Primary Standard Industrial Classification Code Number (if applicable))

650430083

(I.R.S. Employer Identification Number (if applicable))

25 York Street, 17th Floor, Toronto, Ontario, Canada M5J 2V5 (416) 365-5123

(Address and telephone number of Registrant's principal executive offices)

Scott W. Loveless, Parr Brown Gee & Loveless,
185 South State Street, Suite 800, Salt Lake City, Utah 84111
(801) 532-7840

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common stock, no par value	**New York Stock Exchange** **Toronto Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

x **Annual information form** x **Audited annual financial statements**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2011, there were 1,137,732,344 common shares and no preferred shares outstanding.

Indicate by check mark whether the Registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes o No x

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes o No o

NOTE FOR U.S. READERS ON CANADA/U.S. REPORTING DIFFERENCES

Our Annual Information Form dated March 29, 2012 and Management's Discussion and Analysis, together with our audited consolidated financial statements and notes thereto (amended to include notes 23 and 24, which discloses financial information related to the guarantor subsidiaries and subsequent events, respectively) as of December 31, 2011, December 31, 2010 and January 1, 2010 and for the years ended December 31, 2011 and December 31, 2010, are filed under cover of this form as exhibits 99.1, 99.2 and 99.4, respectively. Included as exhibit 99.3 is our audited consolidated financial statements and notes thereto as of December 31, 2011, December 31, 2010 and January 1, 2010 and for the years ended December 31, 2011 and December 31, 2010, as filed on Form 6-K on February 15, 2012. Beginning January 1, 2011, we adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board for preparation of our financial statements.

Our common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange. There are certain differences between the corporate governance practices applicable to us and those applicable to U.S. companies under the New York Stock Exchange listing standards. A summary of the significant differences can be found at www.kinross.com/corp/governance-corp.html.

DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the U.S. Securities Exchange Act of 1934, as amended, (the "Exchange Act") is recorded, processed, summarized and reported within the appropriate time periods and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely disclosures regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that any disclosure controls and procedures, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met, and management is required to exercise its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, we conducted an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2011, the end of the period covered by this annual report on Form 40-F. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2011, the design and operation of the Company's disclosure controls and procedures provide reasonable assurance that they are effective.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. With the participation of the Chief Executive Officer and the Chief Financial Officer, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in Internal Control—Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2011. Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatement. In addition, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in relevant guidelines or conditions in the control structure, or that the degree of compliance with policies or procedures may deteriorate. KPMG LLP, an independent registered public accounting firm for the Company that audited the financial statements of the Company as of December 31, 2011 and the periods then ended, has issued an attestation report, included herewith as an exhibit, addressing the effectiveness of the Company's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Except as noted below, there have been no changes to our system of internal control over financial reporting for the year ended December 31, 2011 or since that time that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

During 2011, Fort Knox, Round Mountain, Kettle River-Buckhorn, Lobo-Marte, and the Corporate offices in Toronto, Canada and Reno, U.S.A, converted to a new version of their ERP system, and La Coipa and Maricunga converted to a new ERP system. The conversions in the ERP system have not resulted in any significant changes in internal controls during the year ended December 31, 2011. Management employed appropriate procedures to ensure internal controls were in place during and after the conversion for all conversions. As at September 30, 2011, the Company also expanded its disclosure controls and procedures and internal controls over financial reporting to include the former Red Back operations.

In addition, management evaluated the impact on the design and operating effectiveness of internal controls that resulted from the application of IFRS accounting policies which were implemented during the year ended December 31, 2011, and concluded that it had not significantly affected the Company's internal control over financial reporting.

AUDIT AND RISK COMMITTEE

The audit and risk committee of our Board of Directors is comprised of three directors: John A. Brough, chairman, John M.H. Huxley and Terence C.W. Reid. Each of the members of the audit and risk committee is "independent" as that term is defined in the listing standards of the New York Stock Exchange. The board of directors has determined that Mr. Brough is an "audit committee financial expert" as such term is defined in paragraph 8(b) of General Instructions B to Form 40-F. Information concerning Mr. Brough's relevant education and experience is included in his biographical information contained in the Company's Annual Information Form included as exhibit 99.1. The Securities and Exchange Commission has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liabilities on such person that are greater than those imposed generally on members of the audit and risk committee and the board of directors who do not carry this designation, or affect the duties, obligations or liability of any other member of the audit and risk committee or board of directors.

CODE OF ETHICS

The Code of Business Conduct and Ethics may be viewed at the Company's website at www.kinross.com under About Kinross — Governance. Any amendments to the Code of Business Conduct and Ethics, including a description of such amendment, will be posted to the Company's website and filed as an exhibit to the Company's subsequent annual report on Form 40-F. The Company did not grant any waivers under its Code of Business Conduct and Ethics during 2011.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

We paid the following fees to our independent registered public accounting firm during the last two fiscal years:

	2011		2010	
Audit Fees	CDN $	3,259,000	CDN $	2,736,000
Audit-Related Fees	CDN $	163,000	CDN $	842,000
Tax Fees	CDN $	242,000	CDN $	196,000
All Other Fees	CDN $	367,000	CDN $	719,000

Audit-related fees include fees related to due diligence and translation services. Tax fees were for tax compliance and advisory services. "All Other Fees" includes amounts for products and services related to other non-audit services.

The audit and risk committee is required to approve all services provided by our principal auditor. All audit services, audit-related services, tax services, and other services provided for the year ended December 31, 2011 were pre-approved by the audit and risk committee which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

OFF-BALANCE SHEET ARRANGEMENTS

Our off-balance sheet arrangements are disclosed in Kinross' Management's Discussion and Analysis included as exhibit 99.2 under the caption "Risk Analysis" and in our financial statements under Note 11, "Financial Instruments", Note 13, "Long-term debt and credit facilities," and Note 20, "Commitments and Contingencies" to Kinross' audited consolidated financial statements for the year ended December 31, 2011 included as an exhibit to this annual report on Form 40-F and incorporated herein by this reference.

CONTRACTUAL OBLIGATIONS

The contractual obligations of the Company are disclosed in Kinross' Management's Discussion and Analysis included as exhibit 99.2 under the caption "Liquidity and Capital Resources — Contractual Obligations and Commitments," and Note 13 "Long-term debt and credit facilities" and Note 20 "Commitments and Contingencies" to Kinross' audited consolidated financial statements for the year ended December 31, 2011 included as an exhibit to this annual report on Form 40-F and incorporated herein by this reference.

MINE SAFETY DISCLOSURE

Information concerning mine safety violations and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and paragraph (16) of General Instruction B to Form 40-F is included in exhibit 99.7 of this annual report on Form 40-F.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this annual report on Form 40-F including, but not limited to, any information as to the future financial or operating performance of Kinross, constitute ''forward-looking information'' or ''forward-looking statements'' within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and the provisions for ''safe harbor'' under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this annual report on Form 40-F. Forward-looking statements include, without limitation, possible events, statements with

respect to possible events, future business results, the future price of gold and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims and limitations on insurance coverage. The words ''plans'', "proposes", ''expects'' or ''does not expect'', ''is expected'', ''budget'', ''scheduled'', "envision"; ''estimates'', ''forecasts'', "guidance"; "targets", "models", ''intends'', ''anticipates'', or ''does not anticipate'', or ''believes'', or variations of such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions typically identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of Kinross referenced, contained or incorporated by reference in this annual report on Form 40-F, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our most recently filed Annual Information Form and our most recently filed Management's Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company or any entity in which it now or hereafter directly or indirectly holds an investment, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Paracatu (including, without limitation, land acquisitions and permitting for the construction and operation of the new tailings facility) being consistent with our current expectations; (3) development of and production from the Phase 7 pit expansion and heap leach project at Fort Knox continuing on a basis consistent with Kinross' current expectations; (4) the viability, permitting and development of the Fruta del Norte deposit, and its continuing ownership by the Company, being consistent with Kinross' current expectations; (5) political and legal developments in any jurisdiction in which the Company, or any entity in which it now or hereafter directly or indirectly holds an investment, operates being consistent with its current expectations including, without limitation, the implementation of Ecuador's new mining and investment laws and related regulations and policies, and negotiation of an exploitation agreement and investment protection agreement with the government (on terms satisfactory to Kinross), being consistent with Kinross' current expectations; (6) permitting, construction, development and production at Cerro Casale being consistent with the Company's current expectations; (7) the viability, permitting and development of the Lobo-Marte project, including, without limitation, the metallurgy and processing of its ore, being consistent with our current expectations; (8) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and the U.S. dollar being approximately consistent with current levels; (9) certain price assumptions for gold and silver; (10) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (11) production and cost of sales forecasts for the Company, and entities in which it now or hereafter directly or indirectly holds an investment, meeting expectations; (12) the accuracy of the current mineral reserve

and mineral resource estimates of the Company and any entity in which it now or hereafter directly or indirectly holds an investment; (13) labor and materials costs increasing on a basis consistent with Kinross' current expectations; (14) the development of the Dvoinoye and Vodorazdelnaya deposits being consistent with Kinross' expectations; (15) the viability of the Tasiast and Chirano mines, and the permitting, development and expansion of the Tasiast and Chirano mines on a basis consistent with Kinross' current expectations, including but not limited to the terms and conditions of the legal and fiscal stability agreements for these operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; and (16) access to capital markets, including but not limited to securing project financing for Dvoinoye, Fruta del Norte and the Tasiast expansion projects, being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates or gold or silver lease rates that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, (including but not limited to income tax, advance income tax, stamp withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, royalty, excise tax, customs/import or export duties, asset taxes, asset transfer tax, property use or other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies and regulations, the security of personnel and assets and political or economic developments in Canada, the United States, Chile, Brazil, Russia, Ecuador, Mauritania, Ghana or other countries in which Kinross, or entities in which it now or hereafter directly or indirectly holds an investment do business or may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions and complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; risks associated with litigation against the Company, including but not limited to, securities class actions in Canada and/or the US; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause Kinross' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made or incorporated into this annual report on Form 40-F are qualified by these cautionary statements and those cautionary statements made in our other filings with the securities regulators of Canada and the United States including, but not limited to, the cautionary statements made in the ''Risk Factors'' section of our most recently filed Annual Information Form. These factors are not intended to represent a complete list of the factors that could affect Kinross. Kinross disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

ADDITIONAL INFORMATION

A copy of Kinross' Audited Consolidated Financial Statements as of December 31, 2011 and 2010, and January 1, 2010, and for each of the two years ended December 31, 2011, together with the accompanying Management's Discussion and Analysis is available at www.kinross.com or under the Company's profile on SEDAR (www.sedar.com). The Financial Statements, Management's Discussion and Analysis and the Annual Information Form of Kinross in this annual report are also available at www.kinross.com and under the Company's profile on SEDAR (www.sedar.com) and this annual report on Form 40-F, including all of the foregoing documents, is available on EDGAR (www.sec.gov). Upon the written request of any shareholder, Kinross will provide a copy of this annual report on Form 40-F, including the Financial Statements, Management's Discussion and Analysis, and the Annual Information Form included as exhibits hereto. Written requests for such information should be directed to Investor Relations, Kinross Gold Corporation, 25 York Street, 17th Floor, Toronto, Ontario, Canada M5J 2V5, toll free 1-866-561-3636 or info@kinross.com.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

KINROSS GOLD CORPORATION

March 29, 2012

By /s/ Paul H. Barry
Paul H. Barry
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for Kinross Gold Corporation dated March 29, 2012
99.2	Kinross Gold Corporation Management's Discussion and Analysis
99.3	Audited consolidated financial statements of Kinross Gold Corporation as of December 31, 2011 and 2010, and January 1, 2010, and for the two years ended December 31, 2011, together with the report of KPMG LLP, the independent registered public accounting firm of Kinross Gold Corporation, thereon as filed on Form 6-K on February 15, 2012
99.4	Audited consolidated financial statements of Kinross Gold Corporation as of December 31, 2011 and 2010, and January 1, 2010, and for the two years ended December 31, 2011, amended to include notes 23 and 24, which discloses financial information related to the guarantor subsidiaries and subsequent events, respectively, together with the reports of KPMG LLP, the independent registered public accounting firm for Kinross Gold Corporation on these audited consolidated financial statements and on internal control over financial reporting
99.5	Management's Report on Internal Control over Financial Reporting
99.6	Consent of KPMG LLP, independent registered public accounting firm for Kinross Gold Corporation
99.7	Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, filed herewith
99.8	Consent of Robert Henderson to being named as a qualified person
99.9	Consent of Mark Sedore to being named as a qualified person
99.10	Consent of Wayne Barnett to being named as a qualified person
99.11	Consent of Marek Nowak to being named as a qualified person
99.12	Certification of the Principal Executive Officer pursuant to Rule 13a — 14(a)
99.13	Certification of the Chief Financial Officer pursuant to Rule 13a — 14(a)

99.14	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
99.15	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley act of 2002)

Exhibit 99.1

KINROSS GOLD CORPORATION



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2011

Dated March 29, 2012

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IMPORTANT NOTICE
ABOUT INFORMATION IN THIS ANNUAL INFORMATION FORM

Unless specifically stated otherwise in this Annual Information Form:

- all dollar amounts are in United States dollars;
- information is presented as at December 31, 2011; and
- references to "Kinross", the "Company", "its", "our" and "we", or related terms, refer to Kinross Gold Corporation and its subsidiaries.

CAUTIONARY STATEMENT

All statements, other than statements of historical fact, contained or incorporated by reference in this Annual Information Form including, but not limited to, any information as to the future financial or operating performance of Kinross, constitute "forward-looking information" or "forward-

looking statements" within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and the provisions for "safe harbour" under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this Annual Information Form. Forward-looking statements include, without limitation, possible events, statements with respect to possible events, the future price of gold and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration, development and mining activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "targets", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might", or "will be taken", "occur" or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of Kinross referenced, contained or incorporated by reference in this Annual Information Form, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our most recently filed Management's Discussion and Analysis, as well as: (1) there being no significant disruptions affecting the operations of the Company or any entity in which it now or hereafter directly or indirectly holds an investment, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Paracatu (including, without limitation, land acquisitions and permitting for the construction and operation of the new tailings facility) being consistent with our current expectations; (3) development of and production from the Phase 7 pit expansion and heap leach project at Fort Knox continuing on a basis consistent with Kinross' current expectations; (4) the viability, permitting and development of the Fruta del Norte deposit, and its continuing ownership by the Company, being consistent with Kinross' current expectations; (5) political and legal developments in any jurisdiction in which the Company, or any entity in which it now or hereafter directly or indirectly holds an investment, operates being consistent with its current expectations including, without limitation, the implementation of Ecuador's new mining and investment laws and related regulations and policies, and negotiation of an exploitation agreement and investment protection agreement with the government (on terms satisfactory to Kinross), being consistent with Kinross' current expectations; (6) permitting, construction, development and production at Cerro Casale being consistent with the Company's current expectations; (7) the viability, permitting and development of the Lobo-Marte project, including, without limitation, the metallurgy and processing of its ore, being consistent with our current expectations; (8) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and the U.S. dollar being approximately consistent with current levels; (9) certain price assumptions for gold and silver; (10) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (11) production and cost of sales forecasts for the Company, and entities in which it now or hereafter directly or indirectly holds an investment, meeting expectations; (12) the accuracy of the current mineral reserve and mineral resource estimates of the Company and any entity in which it now or hereafter directly or indirectly holds an investment; (13) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (14) the development of the Dvoinoye and Vodorazdelnaya deposits being consistent with Kinross' expectations; (15) the viability of the Tasiast and Chirano mines, and the permitting, development and expansion of the Tasiast and Chirano mines on a basis consistent with

Kinross' current expectations, including but not limited to the terms and conditions of the legal and fiscal stability agreements for these operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; and (16) access to capital markets, including but not limited to securing project financing for Dvoinoye, Fruta del Norte and the Tasiast expansion projects, being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates or gold or silver lease rates that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, (including but not limited to income tax, advance income tax, stamp withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, royalty, excise tax, customs/import or export duties, asset taxes, asset transfer tax, property use or other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes, controls, policies and regulations), the security of personnel and assets and political or economic developments in Canada, the United States, Chile, Brazil, Russia, Ecuador, Mauritania, Ghana or other countries in which Kinross, or entities in which it now or hereafter directly or indirectly holds an investment do business or may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions and complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; commencement of litigation against the Company, including but not limited to, securities class action in Canada and/or the US; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, Kinross' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada and the United States including, but not limited to, the cautionary statements made in the "Risk

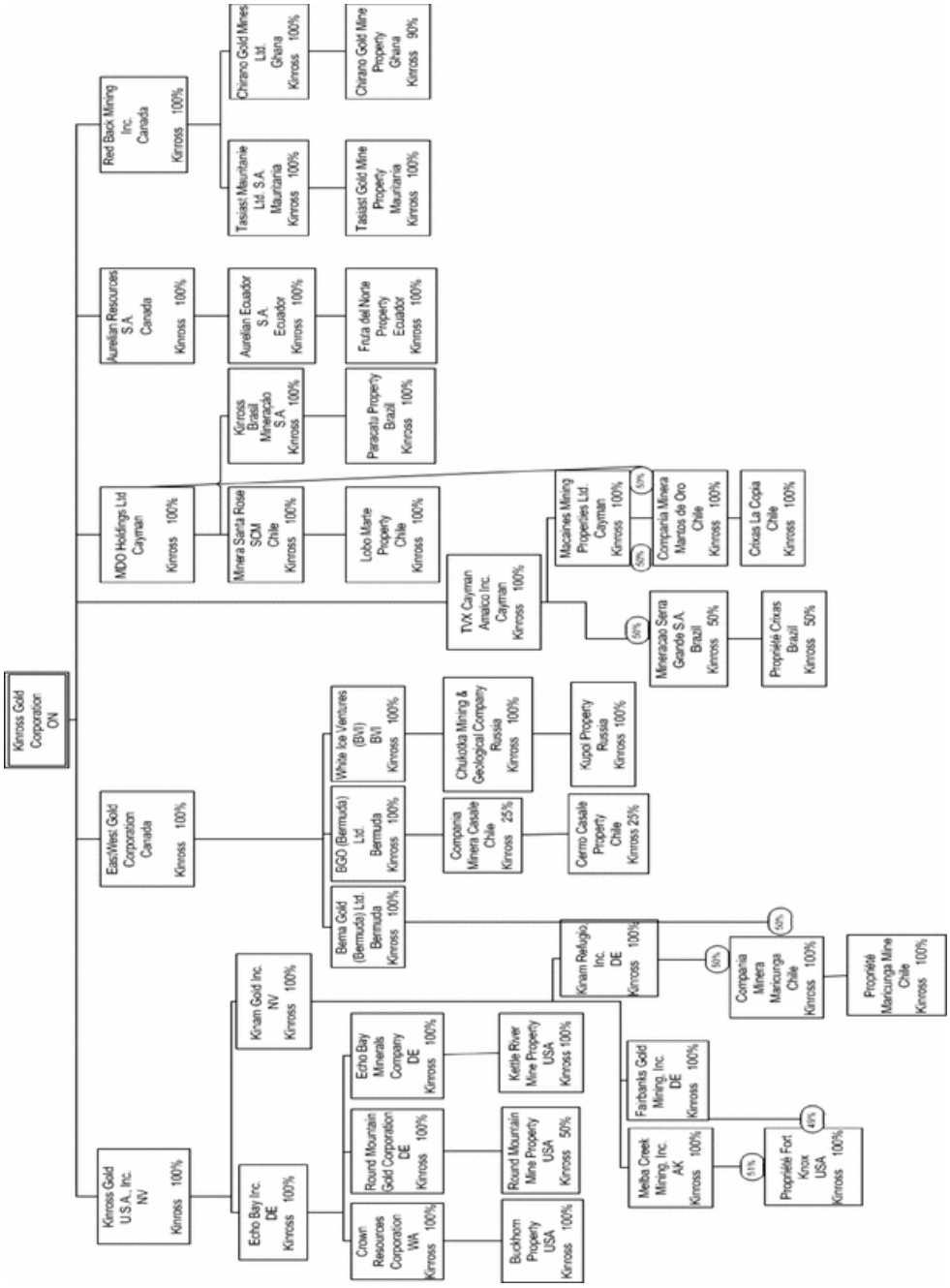
Analysis" section of our most recently filed Management's Discussion and Analysis. These factors are not intended to represent a complete list of the factors that could affect Kinross. Kinross disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

CORPORATE STRUCTURE

Kinross Gold Corporation was initially created in May 1993 by the amalgamation of CMP Resources Ltd., Plexus Resources Corporation, and 1021105 Ontario Corp. In December 2000, Kinross amalgamated with LT Acquisition Inc.; in January 2005, Kinross amalgamated with its wholly-owned subsidiary, TVX Gold Inc. ("TVX"); in January 2006, it amalgamated with its wholly-owned subsidiary, Echo Bay Mines Ltd. ("Echo Bay"); and in January 2011, it amalgamated with Underworld Resources Inc. ("Underworld"). Kinross is the continuing entity resulting from these amalgamations. Kinross is governed by the *Business Corporations Act* (Ontario) and its registered and principal offices are located at 25 York Street, 17th Floor, Toronto, Ontario, M5J 2V5.

Each of Kinross' mining operations is a separate business unit managed by its Vice-President and General Manager, who in turn, reports to a Regional Vice-President, who then reports to the Chief Operating Officer. Exploration strategies, corporate financing, tax planning, additional technical support services, hedging and acquisition strategies are managed centrally. Execution of site/regional exploration strategies is managed locally. Kinross' risk management programs are subject to overview by its Audit and Risk Committee and the Board of Directors.

A significant portion of Kinross' business is carried on through subsidiaries. A chart showing the names of the significant subsidiaries of Kinross and their respective jurisdictions of incorporation, is set out below as of December 31, 2011. All subsidiaries are 100% owned unless otherwise noted.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Kinross is principally engaged in the mining and processing of gold and, as a by-product, silver ore and the exploration for, and the acquisition of, gold bearing properties in the Americas, the Russian Federation, West Africa and worldwide. The principal products of Kinross are gold and silver produced in the form of doré that is shipped to refineries for final processing.

Kinross' strategy is to increase shareholder value through increases in precious metal reserves, net asset value, production, long-term cash flow and earnings per share. Kinross' strategy also consists of optimizing the performance, and therefore, the value, of existing operations, investing in quality exploration and development projects and acquiring new potentially accretive properties and projects.

Kinross' operations and mineral reserves are impacted by, among other things, changes in metal prices. The average gold price during 2011 was approximately $1570 ($1225 during 2010). Kinross used a gold price of $1200 per ounce at the end of 2011 to estimate mineral reserves.

Kinross' share of proven and probable mineral reserves as at December 31, 2011, was 62.6 million ounces of gold, 84.9 million ounces of silver and 1.4 billion pounds of copper.

Three Year History

The acquisition of 100% of the outstanding shares of Aurelian Resources Inc. ("Aurelian") was completed on September 30, 2008 for aggregate consideration consisting of approximately 43.7 million common shares of Kinross and approximately 19.7 million warrants, each warrant being exercisable for one Kinross common share at an exercise price of $32.00. As a result of the acquisition, Kinross acquired a 100% interest in the Fruta del Norte ("FDN") and Condor deposits in Ecuador as well as substantial exploration ground.

On December 16, 2008, Kinross completed the acquisition of a 40% interest in Minera Santa Rose SCM ("Minera") from certain subsidiaries of Anglo American Plc ("Anglo"), and on January 8, 2009 Kinross acquired the remaining 60% interest in Minera from a subsidiary of Teck Cominco Limited ("Teck"). Kinross holds a 100% interest in the Lobo-Marte gold project in Chile. The aggregate purchase price for the acquisition of Minera consisted of $180 million in cash and approximately $70 million in Kinross common shares, plus a royalty on future production payable to Teck.

On February 5, 2009, Kinross completed the sale of 24,035,000 common shares at a price of $17.25 per common share. Kinross sold the common shares to certain underwriters pursuant to an underwriting agreement dated January 22, 2009. Kinross received net proceeds of approximately $396 million, which are being used to enhance the Company's capital position following the funding of the approximately $180 million cash portion of the purchase price for acquisitions made in 2008 and 2009, with the balance being used for general corporate purposes.

On March 19, 2009 Kinross entered into a subscription agreement with Harry Winston Diamond Corporation ("Harry Winston") pursuant to which, subject to certain terms and conditions, Kinross agreed to make a net investment of $150 million in exchange for a 22.5% minority interest in the partnership that holds Harry Winston's 40% interest in the Diavik Diamond Mine joint venture and a 19.9% equity interest in Harry Winston. The transaction was completed on March 31, 2009.

In September 2009, Kinross and Barrick Gold Corporation ("Barrick") entered into a joint venture agreement in respect of the Cerro Casale property, pursuant to which the parties restructured their shareholdings in the joint venture company so that each of Barrick and Kinross held a 50% interest.

On December 2, 2009 Companhia Nacional De Mineração ("CNM"), a subsidiary of Kinross, closed a sale to Jaguar Mining Inc. ("Jaguar") pursuant to which Jaguar purchased all of the shares held by CNM in MCT Mineração Ltda. ("MCT", which holds the Gurupi project located in Brazil) for a purchase price of $42.5 million, which was paid through the issuance of 3,377,354 Jaguar common shares.

On January 20, 2010, Kinross entered into an agreement to acquire the Dvoinoye deposit and the Vodorazdelnaya property, both located approximately 90 kilometres north of Kinross' Kupol operation in the Chukotka region of the Russian Far East, from Northern Gold LLC and Regionruda LLC. The purchase price for the transaction was $346.8 million, comprising $167 million in cash and approximately 10.6 million Kinross shares, which were issued from treasury. The transaction was completed on August 27, 2010.

On February 17, 2010, Kinross entered into an agreement with Barrick to sell one-half of its 50% interest in the Cerro Casale project in Chile to Barrick for a total value of $474.3 million, comprising $454.3 million in cash, plus the assumption by Barrick of a $20 million contingent obligation. The transaction was completed on March 31, 2010.

On March 15, 2010, Kinross entered into a support agreement with Underworld whereby Kinross agreed to make an offer to purchase all of the outstanding common shares of Underworld, other than common shares of Underworld held directly or indirectly by Kinross, on the basis of 0.141 of a common share of Kinross, plus Cdn.$0.01 per Underworld common share, and Underworld agreed to support the offer. The transaction was completed on June 30, 2010.

On May 7, 2010, Kinross closed a CAD $600 million private placement into Red Back Mining Inc. ("Red Back"). As a result of the transaction, Kinross held 24 million common shares of Red Back, representing approximately 9.4% of Red Back's issued and outstanding common shares.

On July 23, 2010, Kinross entered into an agreement with a group of financial institutions to sell its approximate 19.9% equity interest in Harry Winston, consisting of 15.2 million Harry Winston common shares, on an underwritten block trade basis, for net proceeds of $185.6 million. The sale was completed on July 28, 2010.

On August 25, 2010, Kinross completed the sale of its 22.5% interest in the partnership holding Harry Winston's 40% interest in the Diavik Diamond Mines joint venture to Harry Winston for final net proceeds of $190 million. The purchase price was comprised of $50 million cash, approximately 7.1 million Harry Winston common shares (with a value of $69.7 million at the time that the transaction closed), and a note receivable in the amount of $70 million maturing 12 months from the transaction date. The note bore interest at a rate of 5% per annum and was repaid in cash by Harry Winston to Kinross on August 25, 2011. On March 23, 2011, Kinross entered into an agreement with a group of financial institutions to sell its approximate 8.5% equity interest in Harry Winston, consisting of approximately 7.1 million common shares, on an underwritten block trade basis for net proceeds of approximately $100.6 million.

On August 27, 2010, Kinross completed the acquisition of B2Gold Corporation's ("B2Gold") right to an interest in the Kupol East and Kupol West exploration licence areas. Under the terms of a previous agreement, Kinross had undertaken to secure a 37.5% joint venture interest for B2Gold in the Kupol East and Kupol West exploration licence areas. According to the new agreement, Kinross is no longer obligated to enter into joint venture arrangements with B2Gold in respect of Kinross' 75% interest in these licence areas. In exchange, Kinross paid B2Gold $33 million in cash on closing and agreed to contingent payments based on National Instrument 43-101 qualified proven and probable gold reserves at the subject properties, should such gold reserves be declared in future and payments based on 1.5% net smelter returns of from any future production at the properties.

On September 17, 2010, Kinross completed the acquisition of all of the issued and outstanding common shares of Red Back for total consideration of approximately $8.7 billion, including the cost of a previously owned interest. In accordance with the arrangement agreement, former Red Back shareholders received 1.778 Kinross common shares plus 0.11 of a Kinross common share purchase warrant for each common

share of Red Back. Each whole warrant is exercisable for a period of four years at an exercise price of $21.30 per Kinross common share.

On March 31, 2011, Kinross amended its unsecured revolving credit facility. The changes to the facility included an increase of available credit from $600 million to $1.2 billion. The facility will expire on March 31, 2015.

On April 27, 2011, Kinross entered into a Share Purchase Agreement with the State Unitary Enterprise of the Chukotka Autonomous Okrug or "CUE", to repurchase the 2,292,348 shares of CMGC held by CUE, representing 25.01% of CMGC's outstanding share capital, for an approximate consideration of $335 million, including transaction costs. As a result Kinross owns 100% of CMGC, which in turn, holds both the Kupol mine and the Kupol East-West exploration licences in the Chukotka region of the Russian Federation.

On August 22, 2011, Kinross completed a $1 billion offering of debt securities, consisting of $250 million principal amount of its 3.625% Senior Notes due 2016, $500 million principal amount of its 5.125% Senior Notes due 2021 and $250 million principal amount of its 6.875% Senior Notes due 2041 (collectively, the "notes"). The notes are unsecured, senior obligations of Kinross and are wholly and unconditionally guaranteed by certain of Kinross' wholly-owned subsidiaries that are also guarantors under Kinross' senior unsecured credit agreement.

On December 22, 2011, Kinross announced that it had completed a $200 million non-recourse loan issued to CMGC by a group of international financial institutions. The non-recourse loan carries a term of five years, with annual interest of London Inter Bank Offered Rate plus 2.5%.

On February 15, 2012, Kinross announced an update regarding its previously announced capital and project optimization process. As a result of that process, Kinross confirmed that the Tasiast and then Dvoinoye projects remained the key development priorities, and the expected development timelines for the Fruta Del Norte and Lobo-Marte projects would be extended.

DESCRIPTION OF THE BUSINESS

Kinross is principally engaged in the exploration for, and acquisition, development and operation of, gold-bearing properties. The material properties of Kinross as of December 31, 2011 were as follows:

Property (1)	Location	Property Ownership
Fort Knox	Alaska, United States	100%
Paracatu	Minas Gerais, Brazil	100%
Kupol	Russian Federation	100%(2)
Tasiast	Mauritania	100%

(1) The Fort Knox, Paracatu and Tasiast properties are subject to various royalties (See "Kinross Material Properties" — "Fort Knox and Area, Alaska, United States" and "Paracatu, Brazil" and "Tasiast, Mauritania").

(2) On April 27, 2011, Kinross acquired the 25% of Kupol it did not already own through its subsidiary, Chukotka Mining and Geological Company ("CMGC"), giving Kinross 100% ownership of the Kupol mine.

In addition, as of December 31, 2011, Kinross held a 50% interest in the Crixas mine, situated in Brazil, a 100% interest in the Kettle River property in Washington, United States, which includes the Kettle River mill and the Buckhorn mine, a 50% interest in the Round Mountain mine in Nevada, United States, a 100% interest in the La Coipa mine in Chile, a 90% interest in the Chirano mine in Ghana, a 100% interest in the Lobo-Marte property in Chile, a 25% interest in the Cerro Casale property in Chile, a 100% interest in the Maricunga mine in Chile, a 100% interest in the FDN project in Ecuador and other mining properties in various stages of exploration, development, reclamation, and closure. The Company's principal product is gold and it also produces silver as a byproduct.

Employees

At December 31, 2011 Kinross and its subsidiaries employed approximately 8,230 persons. Kinross' employees in the United States, Canada and Russia are non-unionized. In Chile, both of La Coipa's collective agreements were successfully negotiated and will extend until July 31, 2014. Maricunga has three collective agreements in place, two of which expire on February 28, 2014 (relating to operations employees) and one of which expires on December 31, 2012

(relating to a supervisory employee). In Ecuador, the employees at Fruta del Norte are represented by an employee association. Paracatu, Brazil has an annual collective bargaining process, with the agreement having an annual expiry date of January 31st. In West Africa, employees at both the Chirano and Tasiast mines are represented by unions. Chirano's agreements with its union and association expire at the end of August 2012. At Tasiast, a new delegation of union representatives will be elected by the employees in April 2012 following which it is expected that a multi-year collective agreement will be negotiated. Kinross considers the status of its employee relations to be very positive.

Competitive Conditions

The precious metal mineral exploration and mining business is a competitive business. Kinross competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties. The ability of Kinross to replace or increase its mineral reserves and mineral resources in the future will depend not only on its ability to develop its present properties, but also

on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration.

Environmental Protection

Kinross' exploration activities and mining and processing operations are subject to the federal, state, provincial, regional and local environmental laws and regulations in the jurisdictions in which Kinross' activities and facilities are located. For example, in the United States, Kinross is subject to a number of such laws and regulations including, without limitation: the *Clean Air Act*; the *Clean Water Act*; the *Comprehensive Environmental Response, Compensation and Liability Act*; the *Emergency Planning and Community Right to Know Act* ; the *Endangered Species Act; the Federal Land Policy and Management Act* ; the *National Environmental Policy Act* ; the *Resource Conservation and Recovery Act*; and related state laws.

Kinross is subject to similar laws in other jurisdictions in which it operates. In all jurisdictions in which Kinross operates, environmental licenses, permits and other regulatory approvals are required in order to engage in exploration, mining and processing, and mine closure activities. Regulatory approval of a detailed plan of operations and a comprehensive environmental impact assessment is required prior to initiating mining or processing activities or for any substantive change to previously approved plans. In all jurisdictions in which Kinross operates, specific statutory and regulatory requirements and standards must be met throughout the life of the mining or processing operations in regard to air quality, water quality, fisheries, wildlife and biodiversity protection, archaeological and cultural resources, solid and hazardous waste management and disposal, the management and transportation of hazardous chemicals, toxic substances, noise, community right-to-know, land use, and reclamation. Except as may be otherwise disclosed herein, Kinross is currently in compliance, in all material respects, with all material applicable environmental laws and regulations. Details and quantification of the Company's reclamation and remediation obligations are set out in Note 14 to the audited Consolidated Financial Statements of the Company for the year ended December 31, 2011.

At Kinross, a strong environmental ethic and sound environmental management program have been integrated with core business functions at all levels, and at all locations throughout the organization.

As part of Kinross' Corporate Responsibility Management System, corporate environmental governance programs that Kinross has implemented include:

STANDARDS — Corporate environmental management standards provide a clear bottom line for all Kinross activities in all jurisdictions in which we carry on business. Where legal requirements are unclear, Kinross' environmental management standards provide clear direction regarding performance expectations and minimum design and operating requirements.

An example of this is Kinross' decision to adopt the standards that comprise the International Cyanide Management Code for the Manufacture, Transport and Use of cyanide in the Production of Gold (the "Cyanide Code"). Kinross is a signatory to the Cyanide Code, which is administered by the International Cyanide Management Institute (the "ICMI"). The ICMI is an independent body that was established by a multi-stakeholder group under the guidance of the United Nations Environmental Program. The ICMI established operating standards for cyanide manufacturers, transporters and mines and provides for third party certification of facilities' compliance

with the Cyanide Code. All Kinross operations have either already been certified as compliant with the Cyanide Code or are preparing to be certified.

AUDITS - Comprehensive environmental compliance audits are conducted at all operations and at selected residual properties on a biennial basis. The audit program assesses compliance with applicable legal requirements, measures effectiveness of management systems, and includes procedures to ensure timely follow-up on audit findings.

METRICS - Kinross has identified operational parameters that are key indicators of environmental performance, and measures these indicators on a regular basis. The Company tracks an index of these key performance indicators and sets performance targets to encourage continuous environmental improvement.

ENGINEERING - To effectively manage environmental risk, a program is in place to assess the management and stability of tailings and heap leach facilities. It includes a detailed water balance accounting, to assure sufficient storage capacity, and a review of operational procedures. Every Kinross operation has a tailings or heap management plan in place. In addition, Kinross performs periodic assessments of engineered systems to assure adequate secondary systems are in place to minimize or eliminate environmental risks.

RECLAMATION - Kinross recognizes its responsibility to manage the environmental change associated with its operations, and requires all material sites to develop and maintain reclamation and closure plans to address the Company's reclamation and closure obligations in a way that demonstrates excellence and establishes industry-wide leadership through example.

The results of these programs have been recognized by others within and outside the mining industry. Examples of significant recognition of Kinross' efforts are listed on Kinross' website at www.kinross.com.

Operations

Kinross' production in 2011 was derived from the mines in North America (25%), South America (36%), West Africa (17%) and the Russian Federation (22%). The following shows the location of Kinross' properties as of the date hereof.



Gold Equivalent Production and Sales

The following table summarizes attributable production and sales by Kinross in the last three years:

	Years ended December 31,		
	2011	2010	2009
Gold equivalent production — ounces	**2,610,373**	**2,334,104**	**2,238,665**
Gold equivalent sales - ounces	**2,611,287**	**2,343,505**	**2,251,189**

Included in gold equivalent production and sales is silver production and sales, as applicable, converted into gold production using a ratio of the average spot market prices of gold and silver for the three comparative years. The ratios were 44.65:1 in 2011, 60.87:1 in 2010 and 66.97:1 in 2009.

The following table sets forth the attributable gold equivalent production (in ounces) reflective of Kinross' interest in each of its operating assets during the last three years:

	2011	2010	2009
North America:			
Fort Knox	289,794	349,729	263,260
Round Mountain (1)	187,444	184,554	213,916
Kettle River-Buckhorn	175,292	198,810	173,555
Total	652,530	733,093	650,731
South America:			
Paracatu	453,396	482,397	354,396
Maricunga	236,249	156,590	233,585
La Coipa	178,287	196,330	231,169
Crixas (1)	66,583	74,777	74,654
Total	934,515	910,094	893,804
West Africa			
Tasiast(2)	200,619	56,611	N/A
Chirano(2)(3)	235,661	80,298	N/A
Total	436,280	136,909	
Russian Federation:			
Kupol(4)	587,048	554,008	694,130

(1) Represents Kinross' 50% ownership interest.
(2) Kinross acquired Tasiast and Chirano on September 17, 2010 in the acquisition of Red Back.
(3) Represents Kinross' 90% ownership interest.
(4) On April 27, 2011, Kinross acquired the remaining 25% of CMGC, and thereby obtained 100% ownership of Kupol. As such, the results up to April 27, 2011 reflect 75% and results thereafter reflect 100%.

Marketing

Gold is a metal that is traded on world markets, with benchmark prices generally based on the London market. Gold has two principal uses: product fabrication and bullion investment. Fabricated gold has a wide variety of end uses, including jewellery manufacture (the largest fabrication component), electronics, dentistry, industrial and decorative uses, medals, medallions, and official coins. Gold bullion is held primarily as a store of value and a safeguard against devaluation of paper assets denominated in fiat currencies. Kinross sells all of its refined gold to banks, bullion dealers, and refiners. In 2011, sales to its top two customers totalled $1,421.3 million and $521.9 million, respectively, for an aggregate of $1,943.2 million. In 2010, sales to three customers totalled $1,152.7 million, $353.4 million and $353.1 million, respectively, for an aggregate of $1,859.2 million. Due to the size of the bullion market and the above ground inventory of bullion, activities by Kinross will generally not influence gold prices. Kinross believes that the loss of any of these customers would have no material adverse impact on Kinross because of the active worldwide market for gold.

The following table sets forth for the years indicated the high and low London Bullion Market afternoon fix prices for gold:

Year	High	Low	Average
2002	$ 349.30	$ 277.75	$ 309.68
2003	$ 416.25	$ 319.90	$ 363.32
2004	$ 454.20	$ 375.00	$ 409.17
2005	$ 536.50	$ 411.10	$ 444.45
2006	$ 725.00	$ 524.25	$ 603.77
2007	$ 841.10	$ 608.40	$ 695.39
2008	$ 1,011.25	$ 712.50	$ 871.96
2009	$ 1,212.50	$ 810.00	$ 972.35
2010	$ 1,421.00	$ 1,058.00	$ 1,224.52
2011	$ 1,895.00	$ 1,319.00	$ 1,570.25

Kinross Mineral Reserves and Mineral Resources

Definitions

The estimated mineral reserves and mineral resources for Kinross' properties have been calculated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") — Definitions Adopted by CIM Council on November 27, 2010 (the "CIM Standards") which were adopted by the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the "Instrument"). The following definitions are reproduced from the CIM Standards:

A ***Mineral Resource*** is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An ***Indicated Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A ***Measured Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

A ***Mineral Reserve*** is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A ***Probable Mineral Reserve*** is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A ***Proven Mineral Reserve*** is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Mineral Reserve and Mineral Resource Estimates

The following tables set forth the estimated mineral reserves and mineral resources attributable to interests held by Kinross for each of its properties:

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **GOLD**
PROVEN AND PROBABLE MINERAL RESERVES (1),(3),(6),(7),(14)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Proven			Probable			Proven and Probable		
Property		Location	Interest (%)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
NORTH AMERICA												
Fort Knox Area		USA	100.0%	141,633	0.39	1,763	173,036	0.46	2,540	314,669	0.43	4,303
Kettle River		USA	100.0%	—	—	—	1,082	10.96	381	1,082	10.96	381
Round Mountain Area		USA	50.0%	24,968	0.70	563	50,048	0.53	849	75,016	0.59	1,412
SUBTOTAL				166,601	0.43	2,326	224,166	0.52	3,770	390,767	0.49	6,096
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	57,425	0.65	1,195	241,975	0.59	4,616	299,400	0.60	5,811
Crixas	(9)	Brazil	50.0%	1,859	3.35	200	1,458	3.73	175	3,317	3.52	375
Fruta del Norte		Ecuador	100.0%	—	—	—	25,440	8.21	6,715	25,440	8.21	6,715
La Coipa	(11)	Chile	100.0%	12,435	1.36	544	2,828	1.33	121	15,263	1.36	665
Lobo Marte	(13)	Chile	100.0%	—	—	—	164,230	1.14	6,028	164,230	1.14	6,028
Maricunga Area		Chile	100.0%	126,709	0.74	3,000	145,472	0.63	2,948	272,181	0.68	5,948
Paracatu		Brazil	100.0%	682,118	0.40	8,670	640,113	0.42	8,715	1,322,231	0.41	17,385
SUBTOTAL				880,546	0.48	13,609	1,221,516	0.75	29,318	2,102,062	0.64	42,927
AFRICA												
Chirano		Ghana	90.0%	8,135	1.46	381	14,505	3.43	1,599	22,640	2.72	1,980
Tasiast		Mauritania	100.0%	88,808	1.75	4,990	40,075	1.92	2,467	128,883	1.80	7,457
SUBTOTAL				96,943	1.72	5,371	54,580	2.32	4,066	151,523	1.94	9,437
RUSSIA												
Dvoinoye		Russia	100.0%	—	—	—	1,950	17.80	1,116	1,950	17.80	1,116
Kupol		Russia	100.0%	2,073	10.09	673	7,488	9.63	2,319	9,561	9.73	2,992
SUBTOTAL				2,073	10.09	673	9,438	11.32	3,435	11,511	10.66	4,108
TOTAL GOLD				1,146,163	0.60	21,979	1,509,700	0.84	40,589	2,655,863	0.73	62,568

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**
PROVEN AND PROBABLE MINERAL RESERVES (1),(3),(6),(7)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Proven			Probable			Proven and Probable		
Property		Location	Interest (%)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
NORTH AMERICA												
Round Mountain Area		USA	50.0%	110	7.8	28	11,492	7.1	2,616	11,602	7.1	2,644
SUBTOTAL				110	7.8	28	11,492	7.1	2,616	11,602	7.1	2,644
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	57,425	1.9	3,522	241,975	1.4	11,150	299,400	1.5	14,672
Fruta del Norte		Ecuador	100.0%	—	—	—	25,440	11.0	9,004	25,440	11.0	9,004
La Coipa	(11)	Chile	100.0%	12,435	41.6	16,639	2,828	37.5	3,406	15,263	40.8	20,045
SUBTOTAL				69,860	9.0	20,161	270,243	2.7	23,560	340,103	4.0	43,721
RUSSIA												
Dvoinoye		Russia	100.0%	—	—	—	1,950	21.8	1,370	1,950	21.8	1,370
Kupol		Russia	100.0%	2,073	143.2	9,548	7,488	114.6	27,589	9,561	120.8	37,137
SUBTOTAL				2,073	143.2	9,548	9,438	119.1	28,959	11,511	104.0	38,507
TOTAL SILVER				72,043	12.8	29,737	291,173	5.9	55,135	363,216	7.3	84,872

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **COPPER**
PROVEN AND PROBABLE MINERAL RESERVES (3),(6),(7)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Proven			Probable			Proven and Probable		
Property		Location	Interest (%)	Tonnes (kt)	Grade (%)	Pounds (Mlb)	Tonnes (kt)	Grade (%)	Pounds (Mlb)	Tonnes (kt)	Grade (%)	Pounds (Mlb)
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	57,425	0.19	240	241,975	0.23	1,204	299,400	0.22	1,444
SUBTOTAL				57,425	0.19	240	241,975	0.23	1,204	299,400	0.22	1,444
TOTAL COPPER				57,425	0.19	240	241,975	0.23	1,204	299,400	0.22	1,444

Measured and Indicated Mineral Resources

Cautionary Note to United States Investors Concerning Estimates of Measured and Indicated Mineral Resources
This section uses the terms "Measured" and "Indicated" mineral resources. United States investors are advised that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. United States investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable mineral reserves or recovered.

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **GOLD**
MEASURED AND INDICATED MINERAL RESOURCES (EXCLUDES PROVEN AND PROBABLE MINERAL RESERVES) (2),(3),(4),(6),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Measured			Indicated			Measured and Indicated		
Property		Location	Interest (%)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
NORTH AMERICA												
Fort Knox Area		USA	100.0%	7,638	0.33	81	104,460	0.40	1,345	112,098	0.40	1,426
Round Mountain Area		USA	50.0%	16,143	0.77	400	59,535	0.49	938	75,678	0.55	1,338
White Gold Area	(12)	Yukon	100.0%	—	—	—	9,797	3.19	1,005	9,797	3.19	1,005
SUBTOTAL				23,781	0.63	481	173,792	0.59	3,288	197,573	0.59	3,769
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	5,853	0.29	55	68,534	0.35	777	74,387	0.35	832
Crixas	(9)	Brazil	50.0%	238	4.87	37	283	3.70	34	521	4.23	71
Fruta del Norte		Ecuador	100.0%	—	—	—	4,266	4.89	671	4,266	4.89	671
La Coipa	(11)	Chile	100.0%	12,041	1.09	422	4,785	1.02	157	16,826	1.07	579
Lobo Marte	(13)	Chile	100.0%	—	—	—	34,052	0.83	908	34,052	0.83	908
Maricunga Area		Chile	100.0%	20,056	0.64	413	182,061	0.58	3,374	202,117	0.58	3,787
Paracatu		Brazil	100.0%	44,937	0.29	415	262,709	0.34	2,876	307,646	0.33	3,291
SUBTOTAL				83,125	0.50	1,342	556,690	0.49	8,797	639,815	0.49	10,139
AFRICA												
Chirano		Ghana	90.0%	1,031	1.57	52	2,276	2.25	164	3,307	2.04	216
Tasiast		Mauritania	100.0%	119,307	0.62	2,367	283,909	0.96	8,738	403,216	0.86	11,105
SUBTOTAL				120,338	0.63	2,419	286,185	0.97	8,902	406,523	0.87	11,321
RUSSIA												
Dvoinoye		Russia	100.0%	—	—	—	243	17.79	139	243	17.79	139
SUBTOTAL				—	—	—	243	17.79	139	243	17.79	139
TOTAL GOLD				227,244	0.58	4,242	1,016,910	0.65	21,126	1,244,154	0.63	25,368

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**
MEASURED AND INDICATED MINERAL RESOURCES (EXCLUDES PROVEN AND PROBABLE MINERAL RESERVES) (2),(3),(4),(6),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Measured			Indicated			Measured and Indicated		
Property		Location	Interest (%)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
NORTH AMERICA												
Round Mountain Area		USA	50.0%	35	7.7	9	5,088	6.5	1,058	5,123	6.5	1,067
SUBTOTAL				35	7.7	9	5,088	6.5	1,058	5,123	6.5	1,067
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	5,853	1.3	240	68,534	1.1	2,419	74,387	1.1	2,659
Fruta del Norte		Ecuador	100.0%	—	—	—	4,266	10.3	1,412	4,266	10.3	1,412
La Coipa	(11)	Chile	100.0%	12,041	39.3	15,224	4,785	20.1	3,093	16,826	33.9	18,317
SUBTOTAL				17,894	26.9	15,464	77,585	2.8	6,924	95,479	7.3	22,388
RUSSIA												
Dvoinoye		Russia	100.0%	—	—	—	243	12.3	96	243	12.3	96
SUBTOTAL				—	—	—	243	12.3	96	243	12.3	96
TOTAL SILVER				17,929	26.8	15,473	82,916	3.0	8,078	100,845	7.3	23,551

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **COPPER**
MEASURED AND INDICATED MINERAL RESOURCES (EXCLUDES PROVEN AND PROBABLE MINERAL RESERVES) (3),(4),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

			Kinross	Measured			Indicated			Measured and Indicated		
Property		Location	Interest (%)	Tonnes (kt)	Grade (%)	Pounds (Mlb)	Tonnes (kt)	Grade (%)	Pounds (Mlb)	Tonnes (kt)	Grade (%)	Pounds (Mlb)
SOUTH AMERICA												
Cerro Casale	(10)	Chile	25.0%	5,853	0.13	16	68,534	0.16	243	74,387	0.16	259
SUBTOTAL				5,853	0.13	16	68,534	0.16	243	74,387	0.16	259
TOTAL COPPER				5,853	0.13	16	68,534	0.16	243	74,387	0.16	259

Inferred Mineral Resources

Cautionary Note to United States Investors Concerning Estimates of Inferred Mineral Resources
This section uses the terms "Inferred" mineral resources. United States investors are advised that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. United States investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable mineral reserves or recovered.

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **GOLD**
INFERRED MINERAL RESOURCES (2),(3),(4),(6),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

Property		Location	Kinross Interest (%)	Inferred Tonnes (kt)	Inferred Grade (g/t)	Inferred Ounces (koz)
NORTH AMERICA						
Fort Knox Area		USA	100.0%	22,180	0.41	295
Kettle River	(5)	USA	100.0%	255	10.39	85
Round Mountain Area		USA	50.0%	35,242	0.41	464
White Gold Area	(12)	Yukon	100.0%	9,391	1.91	578
SUBTOTAL				67,068	0.66	1,422
SOUTH AMERICA						
Cerro Casale	(10)	Chile	25.0%	124,894	0.37	1,504
Crixas	(9)	Brazil	50.0%	3,405	4.67	511
Fruta del Norte		Ecuador	100.0%	22,093	5.13	3,645
La Coipa	(11)	Chile	100.0%	4,508	2.07	300
Lobo Marte	(13)	Chile	100.0%	112,767	0.78	2,834
Maricunga Area		Chile	100.0%	377,609	0.47	5,651
Paracatu		Brazil	100.0%	158,591	0.40	2,020
SUBTOTAL				803,867	0.64	16,465
AFRICA						
Chirano		Ghana	90.0%	1,508	1.75	85
Tasiast		Mauritania	100.0%	78,217	0.74	1,860
SUBTOTAL				79,725	0.76	1,945
RUSSIA						
Dvoinoye		Russia	100.0%	155	12.82	64
Kupol		Russia	100.0%	425	15.50	212
SUBTOTAL				580	14.80	276
TOTAL GOLD				951,240	0.66	20,108

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**
INFERRED MINERAL RESOURCES (2),(3),(4),(6),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

Property		Location	Kinross Interest (%)	Inferred Tonnes (kt)	Inferred Grade (g/t)	Inferred Ounces (koz)
NORTH AMERICA						
Round Mountain Area		USA	50.0%	207	3.1	20
SUBTOTAL				207	3.0	20
SOUTH AMERICA						
Cerro Casale	(10)	Chile	25.0%	124,894	1.0	4,198
Fruta del Norte		Ecuador	100.0%	22,093	10.4	7,359
La Coipa	(11)	Chile	100.0%	4,508	49.1	7,113
SUBTOTAL				151,495	3.8	18,670
RUSSIA						
Dvoinoye		Russia	100.0%	155	12.6	63
Kupol		Russia	100.0%	425	219.1	2,994
SUBTOTAL				580	164.0	3,057
TOTAL SILVER				152,282	4.4	21,747

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **COPPER**
INFERRED MINERAL RESOURCES (3),(4),(6),(7),(8)
Kinross Gold Corporation's Share at December 31, 2011

Property	Location	Kinross Interest (%)	Inferred Tonnes (kt)	Inferred Grade (%)	Inferred Pounds (Mlb)

SOUTH AMERICA						
Cerro Casale	**(10)**	**Chile**	**25.0%**	**124,894**	**0.19**	**527**
SUBTOTAL				**124,894**	**0.19**	**527**
TOTAL COPPER				**124,894**	**0.19**	**527**

Stockpiles

The following table reflects proven mineral reserves attributable to Kinross' ownership interest in stockpiles at the identified properties:

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT
STOCKPILE INVENTORY (INCLUDED IN PROVEN AND PROBABLE MINERAL RESERVES)
Kinross Gold Corporation's Share at December 31, 2011

		Kinross	Input	Proven			Input	Probable			Proven and Probable		
Property	Location	Interest (%)	Tonnes (x 1000)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (x 1000)	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
GOLD													
Chirano Stockpile	Ghana	90.0%	3,803	3,422	0.99	109	—	—	—	—	3,422	0.99	109
Crixas Stockpile	Brazil	50.0%	55	27	1.89	2	—	—	—	—	27	1.89	2
Fort Knox Stockpile	USA	100.0%	101,275	101,275	0.33	1,078	—	—	—	—	101,275	0.33	1,078
Kettle River Stockpile	USA	100.0%	—	—	—	—	—	—	—	—	—	—	—
Kupol Stockpile	Russia	100.0%	443	443	5.41	77	—	—	—	—	443	5.41	77
La Coipa Stockpile	Chile	100.0%	2,848	2,848	0.53	49	—	—	—	—	2,848	0.53	49
Paracatu Stockpile	Brazil	100.0%	3,682	3,682	0.27	32	—	—	—	—	3,682	0.27	32
Round Mountain Stockpile	USA	50.0%	2,417	1,209	0.88	34	—	—	—	—	1,209	0.88	34
Tasiast Stockpile	Mauritania	100.0%	—	—	—	—	—	—	—	—	—	—	—
TOTAL				**112,906**	**0.38**	**1,381**		**—**	**—**	**—**	**112,906**	**0.38**	**1,381**
SILVER													
Kupol Stockpile	Russia	100.0%	443	443	90.8	1,292	—	—	—	—	443	90.8	1,292
La Coipa Stockpile	Chile	100.0%	2,848	2,848	37.1	3,396	—	—	—	—	2,848	37.1	3,396
TOTAL				**3,291**	**44.3**	**4,688**		**—**	**—**	**—**	**3,291**	**44.3**	**4,688**

Notes — 2011 Kinross Mineral Reserve & Resource Statements

(1) Unless otherwise noted, the Company's mineral reserves are estimated using appropriate cut-off grades based on an assumed gold price of $US 1,200 per ounce, a silver price of $US 30.00 per ounce and a copper price of US $3.00 per pound. Mineral reserves are estimated using appropriate process recoveries, operating costs and mine plans that are unique to each property and include estimated allowances for dilution and mining recovery. Mineral reserves are reported in contained units and are estimated based on the following foreign exchange rates:

Russian Rouble to $US 31
Chilean Peso to $US 485
Brazilian Real to $US 1.65
Ghanaian Cedi to $US 1.50
Mauritanian Ouguiya to $US 275

(2) Unless otherwise noted, the Company's mineral resources are estimated using appropriate cut-off grades based on a gold price of $US 1,400 per ounce, a silver price of $US 33.00 per ounce, a copper price of US $3.75 per pound and the following foreign exchange rates:

Russian Rouble to $US 29
Chilean Peso to $US 471
Brazilian Real to $US 1.61
Ghanaian Cedi to $US 1.50
Mauritanian Ouguiya to $US 275

(3) The Company's mineral reserves and mineral resources as at December 31, 2011 are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the CIM Council (as amended from time to time, the "CIM Standards") in accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mineral reserve and mineral resource estimates reflect the Company's reasonable expectation that all necessary permits and approvals will be obtained and maintained.

(4) Cautionary note to U.S. Investors concerning estimates of mineral reserves and mineral resources. These estimates have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and CIM Standards. These definitions differ from the definitions in the United States Securities and Exchange Commission ("SEC") Industry Guide 7 ("SEC Guide 7") under the United States Securities Act of 1933, as amended. Under SEC Guide 7, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate

mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101 and recognized by Canadian

securities laws but are not defined terms under SEC Guide 7 or recognized under U.S. securities laws. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be upgraded to mineral reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian securities laws, estimates of “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies, except in rare cases. U.S. investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Accordingly, these mineral reserve and mineral resource estimates and related information may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal laws and the rules and regulations thereunder, including SEC Guide 7.

(5) Kettle River mineral resources were estimated using the same gold price as mineral reserves ($US1,200/oz).

(6) Except as provided in Note (12), the Company’s mineral resource and mineral reserve estimates were prepared under the supervision of Mr. R. Henderson, P. Eng., an officer of Kinross as at February 15, 2012, who is a qualified person as defined by NI 43-101.

(7) The Company’s normal data verification procedures have been used in collecting, compiling, interpreting and processing the data used to estimate mineral reserves and mineral resources. Independent data verification has not been performed.

(8) Mineral resources that are not mineral reserves do not have to demonstrate economic viability. Mineral resources are subject to infill drilling, permitting, mine planning, mining dilution and recovery losses, among other things, to be converted into mineral reserves. Due to the uncertainty associated with inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to indicated or measured mineral resources, including as a result of continued exploration.

(9) The Crixas mine is operated by AngloGold Ashanti Ltd. Mineral reserves are reported based on a gold price of $US 1,100 per ounce. Mineral resources are reported using a gold price of $US 1,600 per ounce. Mineral resources and mineral reserves are reported using the following foreign exchange rate: Brazilian Real to $US1.94.

(10) Estimates for the Cerro Casale project are based on the feasibility study completed in 2009 by the joint venture and have been updated to reflect current guidance. Mineral reserves and mineral resources are estimated using appropriate cut-off grades based on the following commodity prices and foreign exchange rates:

Mineral reserves - Gold price of $US 1,200 per ounce, Silver price of $US 22.00 per ounce, Copper price of $US 2.75 per pound

Mineral resources - Gold price of $US 1,400 per ounce, Silver price of $US 28.00 per ounce, Copper price of $US 3.25 per pound

Chilean Peso to $US 500

(11) Includes mineral reserves and mineral resources from the Puren deposit in which the Company holds a 65% interest.

(12) The mineral resource estimates for the White Gold Property were prepared by Mr. Wayne Barnett, Pr.Sci.Nat., and Mr. Marek Nowak, P. Eng., of SRK Consulting, both of whom are qualified persons as defined by NI 43-101. Mineral resources are reported at a cut-off of 0.5 g/t for open pit and 2.0 g/t for underground.

(13) The mineral resources and mineral reserves for Lobo-Marte are based on the pre-feasibility study completed by the Company in 2010.

(14) The mineral reserves presented herein comply with the reserve categories of SEC Guide 7 except for mineral reserves at Lobo-Marte, which estimates are based on the pre-feasibility study completed in 2010. For mineral reserves under NI 43-101, a pre-feasibility study is sufficient, however for reserves under SEC Guide 7, a feasibility study is required.

The following table summarizes the assumptions used in calculating mineral resources and reserves, including average process recovery, cut-off grade assumptions, the foreign exchange rate into U.S. dollars, total cost per ounce, and reserve drill spacing.

Property	Average Process Recovery (%)	2011 Average Gold Cutoff Grade(s) (gpt)	Foreign Exchange Rates (per U.S. $)	Unit Cost (U.S. $/tonne)	Reserve Drill Spacing	
					Proven (m)	Probable (m)
GOLD or GOLD Equivalent						
Fort Knox and Area	54.3% to 78.1%	0.15 to 0.32	n/a	$3.1 to $9.1	30.5	51.5
Kettle River	89.5%	5.87 to 6.05	n/a	$184.4 to $189.8	30.5	30.5
Round Mountain and Area	17% to 80%	0.24 to 0.93	n/a	$4.3 to $8.5	15.2	30.5
Cerro Casale	50% to 79%	0.19 to 0.36	500.0	$4.9 to $8.4	35.0	75.0
Crixás	90.5% to 93.9%	1.99 to 3.23	1.94	$57.7 to $95.9	25.0	50.0
Fruta del Norte	89.4 to 96.7%	3.08 to 4.30	n/a	$107.4 to $138.6	n/a	40.0

La Coipa	58.1% to 87.9%	0.84 to 1.17	485.0	$26.3 to $30.8	25.0	50.0
Lobo Marte	50.9% to 78.8%	0.28 to 0.37	485.0	$5.5 to $7.3	n/a	75.0
Maricunga	53 to 85%	0.28 to 0.38	485.0	$9.6 to $11.3	30.0	60.0
Paracatu	78.6% to 80.9%	0.21	1.7	$5.5 to $7.3	100.0	140.0
Chirano	90% to 91.4%	(u/g)	1.5	$29.1 to $49.3	35.0	50.0 to 75.0
Tasiast	62 to 93%	0.13 to 0.98	275.0	$3.6 to 32.0	25.0	35.0 to 50 .0
Dvoinoye	94.0%	7.4 to 7.8	31.0	$248.6 to 262.8	n/a	30.0
Kupol	94.5%	3.0 (o/p), 6.0 (u/g)	31.0	$121.0 to $150.9	12.5	25.0 to 50.0
SILVER						
Cerro Casale	n/a	n/a	500.0	$4.88 to $8.36	35.0	75.0
Kupol	83.9%	n/a	31.0	$150.9	n/a	25.0 to 50.0
La Coipa	40.6% to 69.0%	0.84 to 1.17	485.0	$26.3 to $30.8	25.0	50.0
COPPER						
Cerro Casale	9.5% to 87.5%	0.20 to 0.23%	500.0	$4.88 to $8.36	35.0	75.0

Reserve reconciliation is shown in the following tables:

Gold

Gold Reserves

Mining Operation/Project	Kinross Interest (%)	2010 Gold Reserves (koz)	Production Depletion (koz)	Exploration/Engineering Change (koz)	Reserve Growth or Depletion (koz)	2011 Gold Reserves (koz)
NORTH AMERICA						
Fort Knox	100.0%	3,579	(327)	1,051	724	4,303
Kettle River	100.0%	562	(189)	8	(181)	381
Round Mountain and Area	50.0%	1,319	(185)	278	93	1,412
SUBTOTAL		**5,460**	**(701)**	**1,337**	**636**	**6,096**
SOUTH AMERICA						
Cerro Casale	25.0%	5,793	—	18	18	5,811
Crixas	50.0%	392	(74)	57	(17)	375
Fruta del Norte	100.0%	6,775	—	(60)	(60)	6,715
La Coipa	100.0%	938	(104)	(169)	(273)	665
Lobo Marte	100.0%	6,028	—	—	—	6,028
Maricunga Area	100.0%	6,089	(379)	238	(141)	5,948
Paracatu	100.0%	18,485	(635)	(465)	(1,100)	17,385
SUBTOTAL		**44,500**	**(1,192)**	**(381)**	**(1,573)**	**42,927**
AFRICA						
Chirano	90.0%	2,434	(233)	(221)	(454)	1,980
Tasiast	100.0%	7,563	(410)	304	(106)	7,457
SUBTOTAL		**9,997**	**(643)**	**83**	**(560)**	**9,437**
RUSSIA						
Dvoinoye	100.0%	—	—	1,116	1,116	1,116
Kupol	100.0%	2,482	(570)	1,080	510	2,992
SUBTOTAL		**2,482**	**(570)**	**2,196**	**1,626**	**4,108**
TOTAL GOLD		**62,439**	**(3,106)**	**3,235**	**129**	**62,568**

Silver

Mining Operation/Project	Kinross Interest (%)	2010 Silver Reserves (koz)	Production Depletion (koz)	Exploration/Engineering Change (koz)	Reserve Growth or Depletion (koz)	2011 Silver Reserves (koz)
NORTH AMERICA						
Round Mountain and Area	50.0%	2,560	—	84	84	2,644
SUBTOTAL		**2,560**	**—**	**84**	**84**	**2,644**
SOUTH AMERICA						
Cerro Casale	25.0%	14,682	—	(10)	**(10)**	14,672
Fruta del Norte	100.0%	9,141	—	(137)	**(137)**	9,004
La Coipa	100.0%	32,974	(9,134)	(3,795)	**(12,929)**	20,045
SUBTOTAL		**56,797**	**(9,134)**	**(3,942)**	**(13,076)**	**43,721**
RUSSIA						

Dvoinoye	100.0%	—	—	1,370	1,370	1,370
Kupol	100.0%	31,551	(8,156)	13,742	5,586	37,137
SUBTOTAL		**31,551**	**(8,156)**	**15,112**	**6,956**	**38,507**
TOTAL SILVER		**90,908**	**(17,290)**	**11,254**	**(6,036)**	**84,872**

Copper

Mining Operation/Project	Kinross Interest (%)	2010 Copper Reserves (Mlbs)	Production Depletion (Mlbs)	Exploration/Engineering Change (Mlbs)	Reserve Growth or Depletion (Mlbs)	2011 Copper Reserves (Mlbs)
SOUTH AMERICA						
Cerro Casale	25.0%	1,446	—	(2)	(2)	1,444
SUBTOTAL		**1,446**	**—**	**(2)**	**(2)**	**1,444**
TOTAL COPPER		**1,446**	**—**	**(2)**	**(2)**	**1,444**

Kinross Material Properties

The technical information in this Annual Information Form, except for the Tasiast property description below, has been prepared under the supervision of, or reviewed by, Mr. Rob Henderson, a qualified person under NI 43-101, who was an officer of the Company as at December 31, 2011. The Tasiast property description has been prepared under the supervision of, or reviewed by, Mr. Mark Sedore, a qualified person under NI 43-101, who is an officer of the Company.

Fort Knox and Area, Alaska, United States



General

Kinross is the owner of the Fort Knox mine located in Fairbanks North Star Borough, Alaska. The Fort Knox mine includes the main Fort Knox open pit mine, mill, tailings storage facility and heap leach facility; and the True North open pit mine (which is under reclamation).

Detailed financial production and operational information for the Fort Knox mine is available in Kinross' management's discussion and analysis for the year ended December 31, 2011 (the "MD&A").

Property Description and Location

Fort Knox Open Pit

The Fort Knox open pit mine, mill and heap leach facility are located approximately 40 kilometres northeast of the City of Fairbanks, Alaska. Kinross controls mineral and surface rights covering approximately 22,600 hectares through an Upland Mineral Lease issued by the State of Alaska, fee ownership, State of Alaska mining claims, federal mining claims and private leases. Mineral reserves at the Fort Knox mine are situated on land covered by the Upland Mineral Lease. The Upland Mineral Lease expires in 2014 and may be renewed for a period not to exceed 55 years.

Production from the Fort Knox mine is subject to a 3% production royalty based on net income (adjusted for certain items) and recovery of the initial capital investment and a Mining License Tax which ranges from 3% to 7% of taxable income (adjusted for certain items). Kinross royalties and production taxes are estimated to be $6.3 million for 2011 compared to $8.1 million for 2010.

All requisite permits have been obtained for mining and continued development of the existing Fort Knox open pit mine and are in good standing in all material respects.

True North Open Pit

Mining at the True North open pit is complete and the property is under reclamation.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Fort Knox mine is situated in close proximity to the City of Fairbanks, which is a major population, service and supply centre for the interior region of Alaska. Fairbanks is the second largest city in Alaska, and has an estimated population of approximately 35,000. The surrounding areas of the Fairbanks North Star Borough have a further 60,000 residents. Fairbanks is served by major airlines and the Alaska Railroad, and is connected to Anchorage and Canada by a series of well-maintained paved highways. Services and supplies are available in Fairbanks in ample quantities to support the local and regional needs, along with the mining and processing operations of Kinross.

The Fort Knox milling operation obtains its process makeup water from a fresh water reservoir located within the permitted property area. Power is provided to the mine by Golden Valley Electric Association's power grid serving the area over a distribution line paid for by Kinross.

Access to the Fort Knox mine from Fairbanks is by 34 kilometres of paved highway and eight kilometres of unpaved road. The True North mine is located 18 kilometres west of the Fort Knox property and is accessible by an unpaved road. The area has a subarctic climate, with long, cold winters and short summers.

The area topography consists of rounded ridges with gentle side slopes. Vegetation includes spruce, birch and willow trees and various shrubs, grasses and mosses. The elevation ranges from 150 to 1,000 metres.

Environmental Considerations

Fort Knox operates in material compliance with applicable environmental laws and regulations and with Kinross' policies on environment, health and safety. There are no known material environmental concerns at Fort Knox. Kinross estimates the net present value of future cash outflows for site restoration costs at Fort Knox and True North under International Financial Reporting Standards ("IFRS"), International Accounting Standard 37 ("IAS 37") and International Financial Reporting Interpretation Committee 1 ("IFRIC 1") for the year ended December 31, 2011, at approximately $68.4 million. Kinross has posted approximately $39.6 million of letters of credit to various regulatory agencies in connection with its closure obligations at Fort Knox and True North.

History

An Italian prospector named Felix Pedro discovered gold in the Fairbanks mining district in 1902. Between 1902 and 1993, more than eight million ounces of predominately placer gold were mined in the district. In 1984, a geologist discovered visible gold in granitic-hosted quartz veins on the Fort Knox property. Between 1987 and 1991, a number of companies conducted extensive exploration work on the Fort Knox, True North and Gil properties. In 1992, Amax Gold Inc. (now Kinross) acquired ownership of the Fort Knox property. Construction of the Fort Knox mine and mill operations began in 1995 and was completed in 1997. Commercial production at Fort Knox was achieved on March 1, 1997.

In 2008, Kinross commenced construction of a heap leach processing facility, which was commissioned in 2009. First gold from the new heap leach was poured in November, 2009.

Geological Setting

Kinross' mining and exploration properties are located within the Fairbanks mining district, a northeast trending belt of lode and placer gold deposits that comprise one of the largest gold producing areas in the state of Alaska.

The Fairbanks district is situated in the northwestern part of a geologic formation called the Yukon—Tanana Terrane (the "YTT"). The YTT consists of a thick sequence of polymetamorphic rocks that range in age from Precambrian to Upper Paleozoic. The dominant rock types in the district are grey to brown, fine-grained micaceous schist and micaceous quartzite known as the Fairbanks Schist. The Cleary Sequence, consisting of bimodal metarhyolite and metabasalt with actinolite schist, chlorite schist, graphite schist, and impure marbles, is intercalated with the Fairbanks Schist. Higher grade metamorphic rocks of the Chatanika Terrane are thought to be middle Paleozoic to Ordovician in age, and outcrop in the northern part of the district. Granodiorite to granite igneous bodies intrude YTT rocks.

The mineral deposits are generally situated in a northeast trending, structurally complex zone characterized by a series of folds, shear zones, high angle faults, and occasional low angle faults. Northeast striking high angle faults influence the location of gold deposits.

Exploration

Gold exploration techniques utilized at the Fort Knox project include: reconnaissance and detailed geologic mapping and geophysical methods to determine the distribution of rock types and structures; soil and rock chip sampling to determine the presence and surface distribution of gold and associated trace elements; trenching of soil anomalies to create exposures of mineralized bedrock for detailed mapping and sampling; and drilling to confirm the geologic controls on mineralization and to determine the distribution of gold in three dimensions.

Kinross' mine site and regional exploration within the Fairbanks district totalled $6.9 million in 2011.

Mineralization

The Fort Knox gold deposit is hosted by a granitic body that intruded the Fairbanks Schist. The surface exposure of the intrusive body is approximately 1,100 metres in the east-west direction and 600 metres north-south.

Gold occurs in and along the margins of pegmatite veins, quartz stockwork veins and veinlets, quartzveined shear zones, and fractures within the granite. The stockwork veins strike predominantly east and dip randomly. Stockwork vein density decreases with depth. Shear zones generally strike northwest and dip moderately to the southwest.

Gold mineralization in the quartz-filled shears is distributed relatively evenly, and individual gold grains are generally less than 100 microns in size. The gold occurrences have a markedly low (less than 0.10%) sulphide content.

Drilling

Two types of drilling methods are used to explore for and define mineral deposits : (a) diamond core ("Core"); and (b) reverse circulation ("RC").

Core drilling produces continuous cylindrical samples of rock by means of a diamond impregnated bit rotated by a borehole drilling machine. Core drilling, also referred to as diamond drilling, is commonly used to collect continuous, intact rock samples for detailed geologic logging and sampling, for geotechnical and rock strength tests, metallurgical tests, or because alternative drilling methods may not provide adequate or appropriate geological materials. The Core drilling at Fort Knox, since 1998, is commonly PQ3 sized holes (diameter of 83.1 millimetres, or 3.270 inches). Prior to 1998, Core holes were PQ sized (diameter of 85.0 millimetres, or 3.345 inches). Both PQ3 and PQ diameter Core holes are used for exploration and evaluation of mineral deposits where a larger sample is more representative of coarse-grained gold distribution.

RC is a specialized method of rotary drilling. The drilling medium (air, water, foam drilling muds, and additives) is circulated from the surface to the drill bit through the outside annulus of nested drill rods. The drilling medium then carries rock fragments produced by the drill bit to the surface through the centre of the drill rods. This method reduces sample contamination by isolating the drilling medium and rock cuttings from the wall of the hole. The RC holes completed at Fort Knox are normally 139.70 millimetres (5.50 inches) in diameter, but may range as high as 146.05 millimetres (5.75 inches) in diameter.

Sampling and Analysis

Comprehensive drilling programs have been carried out at the Fort Knox deposit. The Fort Knox deposit has been defined by 1,177 drill holes (438 Core holes, 700 RC holes, and 39 geotechnical holes totalling 264,944 metres, or 869,238 feet), which have provided 174,098 nominal 1.52-metre (five foot) long samples.

Core samples and RC drill cuttings are collected from each drill hole and are geologically logged. RC rotary drill cuttings are collected at one and a half metre intervals by a geologist or helper at each drill site. Each core interval and RC rotary cutting sample is submitted to an independent assay laboratory for geochemical analysis, and the subsequent geochemical data is entered, together with information about the host rock, into the project database. Core samples are regularly photographed and then logged and sampled in 1.52 metre intervals. Data is entered on the logs in a digital format. Special emphasis is placed on fault and vein orientations, as well as alteration and oxidation. Whole drill core is submitted to the assay lab for crushing, splitting and analysis.

For dry RC samples, the drill cuttings are passed through a collection hose into a cyclone-type dust collector and are then manually split through a hopper-feed Gilson splitter. The split fraction of each sample is recorded on the log sheet. For wet RC samples, the drill cuttings are fed into a cyclone that deposits a stream of sample and drilling fluid into a splitter with a variable speed hydraulic motor that rotates a set of vanes controlling the volume of the split sample. Historically, the split sample was fed into four five-gallon buckets set in cascading series to collect and settle out the cuttings. The current method utilizes one five-gallon bucket placed in a washtub that collects all of the sample and drill fluids. A flocculent was added to the first bucket to aid in the settling of the sample and is still added to the single bucket. The samples are then permitted to settle.

The nature of the mineralization and host rock at the Fort Knox deposit requires that particular care be given to the collection of drill hole samples, especially for RC holes, that penetrate the water table within the deposit. Kinross employs, as a standard operating procedure, a detailed program of weighing the RC and Core samples to determine if the specimen is underweight, which helps to indicate potential loss of material in the sample interval. If individual 1.52 metre (five foot) intervals have unusually high or low weights, they could indicate sample contamination in a drill hole.

Mineralized intervals with a calculated recovery greater than 100% are evaluated. The anomalous hole is flagged and examined in cross-section. The drill hole is compared to adjacent holes, historical production and a decision is made to accept or reject the assay interval. Rejected samples are coded and given a "no sample" value in estimating mineral resources.

Security of Samples

Core and RC drill samples, which are the basis for all analytical determinations, are collected from the drill hole under the direct supervision of Kinross staff. The samples are labelled and placed in bags at the Kinross facility and prepared for transport to commercial laboratories for preparation and assay. Employees of the laboratory pick up drill samples at the Kinross facility.

To monitor the precision of the analytical process, a standard is inserted at every odd 20 th (21, 41, 61 and 81) sample for RC and Core drilling. A pulp is split on every even 20th (20, 40, 60 and 80) sample at the primary lab and sent to an outside lab for analysis. The primary assay lab also reassays the first and then every 20th sample in each job.

Kinross also inserts blank or unmineralized samples into each sample shipment as part of the operation's standard procedures. Returned sample rejects that assay below the detection limit (<0.001) are submitted with the regular RC samples every 30.5 metres (100 feet), or 20th sample.

A standard pulp sample of known grade is also submitted to the laboratory. The sample frequency is one per Core and RC hole. These standards are prepared both in-house and by outside laboratories over the different exploration seasons, and they represent different ranges of gold grades.

Mineral Resource and Mineral Reserve Estimates

Refer to Kinross Mineral Reserves and Mineral Resources on pages 14 — 17 for quantity, grades and category. Assumptions are outlined in the Notes — 2011 Kinross Mineral Reserve and Mineral Resource Statements section commencing on page 17.

Mining, Milling and Heap Leach Operations

The Fort Knox deposit is mined by conventional open pit methods. Higher grade ore from the Fort Knox mine is processed at Kinross' carbon-in-pulp mill located near the Fort Knox mine. The mill processes ore 24 hours per day year-round. Lower grade ore is processed on a dedicated leach pad that was commissioned in 2009.

The Fort Knox mill has a daily capacity of between 33,000 and 45,000 tonnes. Mill feed is first crushed to minus 20 centimetres (eight inches) in the primary gyratory crusher located near the Fort Knox pit and conveyed 800 metres (2,625 feet) to a coarse-ore stockpile located near the mill. The crushed material is conveyed to a semi-autogenous ("SAG") mill, which operates in closed circuit with two ball mills and a bank of cyclones for sizing. A portion of the cyclone underflow is screened and then directed to a gravity recovery circuit. The gravity circuit consists of three Knelson concentrators and one Acacia reactor.

Correctly sized material flows into a high rate thickener and then into leach tanks where cyanide is used to dissolve the gold. Activated carbon is used in the carbon-in-pulp circuit to absorb the gold from the cyanide solution. Carbon particles loaded with gold are removed from the slurry by screening and are transferred to the gold recovery circuit where the gold is stripped from the carbon by a solution, plated onto a cathode by electrowinning, and melted into doré bars for shipment to a refiner. Mill tailings are detoxified and transferred into the tailings impoundment below the mill.

Gold recoveries at the Fort Knox mill have historically ranged from 84% to more than 90% since commercial production began in 1997.

The heap leach facility at Fort Knox began construction in 2008 and consists of a valley fill leach pad, carbon adsorption plant, piping, haul road construction, relocation of access roads, power lines and tailings and water lines. Modifications to the existing crusher and the installation of an overland conveyer were completed in 2007. Run of mine ore is hauled from the pit and from existing stockpiles to the leach pad. The heap leach will be built in five stages, covering approximately 310 acres and has a total capacity of 161 million tonnes. It is located in the upper end of the Walter Creek drainage, immediately upstream of the tailings storage facility.

Life of Mine and Capital Expenditures

Fort Knox pit production, phase 7, is expected to continue until 2017. In 2017 all of the run of mine ore and ore stockpiles will be stacked on Walter Creek Heap Leach. The tailings storage facility will also be at full capacity in 2017, which will be the final year for ore processed through the mill. Capital expenditures for 2011 at the Fort Knox operations were $103.5 million.

Exploration and Development

The goal for the 2012 exploration program is to add to the Fort Knox reserve/resource and advance the projects within the trend. Within the Fort Knox pit area, the primary target is to identify the extent of mineralization beyond the existing Phase 7 pit design. Trend project advancement will include drilling, mapping, and geochemical soil sampling on multiple project areas.

The Fort Knox pit area project is a two to three year program designed to increase the reserve/resources within the immediate pit area. Positive results from the programs have the potential to extend mining and ore

processing beyond the current life of mine plan. Additional exploratory drilling may be warranted based on the results of the program.

The Fort Knox trend exploration projects are at minimum two to five year programs with the goal of delineating new ore bodies in close

proximity to the existing infrastructure generated to process the Fort Knox ore body. The programs are progressive and results-driven. Exploratory drilling is scheduled for the 2012 field season on two of the project areas.

Paracatu, Brazil



General

Kinross is the owner of the Paracatu mine located in the northwestern portion of the Minas Gerais State in Brazil. The Paracatu mine includes an open pit mine, two process plants ("Plant I" and "Plant II"), two tailings facilites areas, Santo Antonio and the new Eustaquio tailings facility, and related surface infrastructure.

In 2006, an expansion project was approved by Kinross' Board of Directors, and in 2007, construction of a new 41 million tonne per year plant began. The new plant began operations in September 2008 and completion of ramp-up was achieved in the fourth quarter of 2009, stabilizing plant operation and increasing recovery to an average of 77.5% in 2010.

In 2009, the Company approved plans to undertake a new expansion project in Paracatu, which consists of the implementation of the new mill (third ball mill) to increase the grinding capacity needed to process harder ore from the Paracatu orebody. The new 15 MW ball mill was delivered in 2010, and installation and commissioning was completed in the third quarter of 2011.

With a view to adding grinding capacity, in 2010 the Company approved the addition of a fourth ball mill, focused on further increasing processing capacity. The conceptual engineering is being developed and the conclusion of the construction (start-up) is expected during the second half of 2012.

The Paracatu mine is 100% owned and operated by Kinross' wholly-owned subsidiary Kinross Brasil Mineração S.A. ("KBM"). The site is known locally as "Morro do Ouro".

Detailed financial, production and operational information for the Paracatu mine is available in the MD&A.

Property Description and Location

The Paracatu mine is a large scale open pit mine located three kilometres north of the city of Paracatu, situated in the northwestern portion of Minas Gerais State, 230 kilometres southeast of the national capital Brasília and 490 kilometres northwest of the state capital Belo Horizonte.

In Brazil, mining licences (permits) are issued by the Departamento Nacional de Produção Mineral ("DNPM"). Once certain obligations have been satisfied, DNPM issues a mining licence that is renewable annually, and has no set expiry date. KBM currently holds title to six mining licences totalling 2,247 hectares. The mine and most of the surface infrastructure lie within the mining licenses and the new tailings facility is situated over a mining easement. The remaining infrastructure is built on lands controlled by KBM under exploration concessions. KBM holds title to 19 exploration concessions (19,078 hectares) in the immediate mine area and has applied for title to an additional exploration concession (982 hectares) in the Paracatu area. In addition to the KBM exploration concessions, KBM holds title to 15 exploration concessions (6,538

hectares) in the area of the mine.

KBM must pay to DNPM a royalty equivalent to 1% of net sales. Another 0.5% has to be paid to the holders of surface rights in the mine area not already owned by KBM.

Kinross is in compliance with the Paracatu permits in all material respects.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to the site is provided by paved federal highways or by charter aircraft that can land at a small paved airstrip on the outskirts of Paracatu. The mine is the largest employer in Paracatu, directly employing 894 workers and 2,485 employees of contractors (with the Expansion Project the total number of employees peaked at 3,500) in what is predominantly an agricultural town (dairy and beef cattle as well as grain crops, soy bean, corn etc.) located in Brazil's tropical cerrado. Annual rainfall varies between 850 and 1,800 millimetres, the average being 1,380 millimetres, with the majority realized during the rainy season between October and March. Temperatures range from 15 to 35 degrees Celsius.

The mine draws power from the Brazilian national power grid. The mine is dependent on rainfall as the primary source of process water. During the rainy season, the mine channels surface runoff water to temporary storage ponds from where it is pumped to the beneficiation plant. Similarly, surface runoff and rain water is stored in the tailings impoundment, which constitutes the main water reservoir for the concentrator. The objective is to capture and store as much water as possible from the rainy season to ensure adequate water supply during the dry season. The mine is permitted to draw makeup water from three local rivers that also provide water for agricultural purposes.

The area topography consists of gently rolling hills. Vegetation in the area of Paracatu is known as cerrado, which is similar to savannah, with dispersed cover of trees and shrubs. The elevation ranges from 700 to 820 metres.

Environmental Considerations

Paracatu operates in material compliance with applicable environmental laws and regulations and with Kinross' policies on environment, health and safety. There are no known material environmental concerns at Paracatu. Kinross estimates the net present value of future cash outflows for site restoration costs at Paracatu under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2011, at approximately $138.6 million. There are currently no laws in Brazil requiring the posting of a reclamation bond or other financial assurance.

Kinross voluntarily initiated and entered into an agreement with the State Public Attorney to assume the obligation to submit financial security through annual contributions (in bank deposit, bank investment or letter of credit) in the amount of one million reais each, until the execution of the mine closure plan and deactivation of dams, the rehabilitation of mined areas and the recovery plan for degraded areas.

History

Gold mining has been associated with the Paracatu area since 1722 when placer gold was discovered in the creeks and rivers of the Paracatu region. Alluvial mining peaked in the mid-1800s and until the 1980s, was largely restricted to garimpeiro (artisanal) miners. In 1984, Rio Tinto Zinc ("Rio Tinto") explored the property using modern exploration methods, and by 1987, the Rio Paracatu Mineração (now known as KBM) joint venture was formed between Rio Tinto and Autram Mineração e Participações (the latter being part of the TVX group of companies). Production commenced in 1987 and the mine has operated continuously since then. As of December 31, 2004, the mine since inception had produced close to five million ounces of gold from 412 million tonnes of ore.

In 2003, TVX's 49% share in KBM was acquired by Kinross as part of the business combination between Kinross, TVX and Echo Bay Mines Ltd. Kinross purchased the remaining 51% from Rio Tinto on December 31, 2004.

In January 2005, Kinross and KBM commenced the exploration drill program west of Rico Creek and became aware of the potential for a significant reserve increase. A Plant Capacity Scope Study was completed in June 2005, which evaluated several alternatives to increase plant throughput. All options considered in this study assumed the installation of an in-pit crushing and conveying system ("IPCC") and a 38-foot diameter SAG mill, which were the cornerstone assumptions in the original feasibility study carried out at the property.

The Plant Capacity Scope Study recommended that production be increased from 18 million to 50 million tonnes per year ("Mtpa"). The Expansion Project was envisioned to proceed in two stages over a four year period, which commenced in 2006.

In the fourth quarter of 2005, the contract for the basic engineering of the Expansion Project was awarded to SNC-Lavalin Engineers and Constructors Ltd. and MinerConsult Engenharia, a Brazilian engineering firm. The scope of the Feasibility Study was to look at increasing ore production from approximately 18 Mtpa to up to 61 Mtpa (depending on ore hardness and other factors) via the installation of Plant II, designed to treat the harder B2 sulphide ore being encountered as the mine gets deeper. The scope of work included the IPCC, covered stockpile, the new 41 Mtpa mill, hydromet expansion, electrical substation, tailings delivery and water systems. Commissioning of the new 41 Mtpa mill began in September 2008 and commercial production began in December 2008. In 2009, the Company encountered challenges at the new mill, primarily due to ore hardness, which resulted in lower than expected concurrent recovery and throughput. As contemplated in the feasibility study, the Company added a third ball mill, which was commissioned in the third quarter of 2011, and a fourth ball mill, which is expected to be commissioned in 2012.

Geological Setting

The mineralization at Paracatu is hosted by a thick sequence of phyllites belonging to the basal part of the Upper Proterozoic Paracatu Formation and known locally as the Morro do Ouro Sequence. The sequence outcrops in a northerly trend in the eastern Brasilia Fold Belt, which, in turn, forms the western edge of the San Francisco Craton. The Brasilia Fold Belt predominantly consists of clastic sediments, which have undergone lower greenschist grade metamorphism along with significant tectonic deformation.

The phyllites at Paracatu lie within a broader series of regional phyllites. The Paracatu phyllites exhibit extensive deformation and feature well-developed quartz boudins and associated sulphide mineralization. Sericite is common, likely as a result of extensive metamorphic alteration of the host rocks. Sulphide mineralization is dominantly arsenopyrite and pyrite, with pyrrhotite and lesser amounts of chalcopyrite, sphalerite and galena.

Exploration

Rio Tinto was the first company to apply modern exploration methods at Paracatu. Northeast of Rico Creek, the deposit had been drilled off on nominal 100 x 100 metre drill spacing.

The Paracatu mineralization is subdivided into four horizons defined by the degree of oxidation and surface weathering and the associated sulphide mineralization. These units are, from surface, the C, T, B1 and B2 horizons. Mining to date has exhausted the C and T horizons. The remaining mineral reserves are exclusively hosted in the B1 and B2 horizons.

Exploration at Paracatu evolved in lockstep with knowledge gained through production experience. Essentially, the success of mining in the C and T horizons focused attention and exploration effort on the B1 horizon. Continued production success in the B1 horizon led to an increased interest in the B2 horizon.

Drilling by Kinross in 2005 indicated that portions of the deposit northeast of Rico Creek had not been drill tested for the entire thickness of the mineralized horizon hosting gold. This largely reflects the historical mining theory at Paracatu where softer C, T and B1 ores were targeted and harder B2 ores were considered uneconomic due to limitations in the existing process plant technology in operation at that particular moment in time.

The Expansion Project is allowing for processing of harder ores of the B2 horizon. Originally, Kinross focused on increasing reserves to the southwest of Rico Creek, exploiting the B2 mineralization that continues down dip of the surface exposure being mined in the current pit.

Mineralization

Gold is closely associated with arsenopyrite and pyrite and occurs predominantly as fine-grained free gold along the arsenopyrite and pyrite grain boundaries or as inclusions in the individual arsenopyrite and pyrite grains. Gold grains typically range from 10-150 microns in size.

The mineralization appears to be truncated to the north by a major normal fault trending east-northeast. The displacement along this fault is not currently understood but the fault is used as a hard boundary during mineral resource estimation. The current interpretation is that the fault has displaced the mineralization upwards and natural processes have eroded away any mineralization in this area.

Drilling

The dominant sample collection method used to delineate the Paracatu resource and reserve model is Core drilling. A database of 459 test pits (4,987 metres) and 1,790 drill holes (98,938 metres) supports the mineral reserve estimate for the 2011 year-end reserves.

In the first quarter of 2005, Kinross committed to a phased exploration program at Paracatu to delineate measured and indicated mineral resources west of Rico Creek. As of December 31, 2005, Kinross had completed 267 Core drill holes (48,660 metres) which were added to the historical database.

In 2006, Kinross drilled 35 holes (3,586 metres) in the Albernaz area to the northwest of the pit and five holes (574 metres) west of Rico Creek.

The nominal drill spacing east-northeast of Rico Creek is 100 x 100 metres. An Optimum Drill Spacing Study commissioned by Kinross established that a 200 x 200 metre five spot pattern (a 200 x 200 metre grid plus one hole in the middle) would satisfactorily define indicated mineral resources. This pattern results in a nominal 140 metre hole spacing and represents a departure from historical KBM practices.

All drill core is logged geologically and geotechnically, with lithostructural and physical data recorded in detailed logging sheets. The core is also photographed and a permanent record is maintained in the on-site filing system.

In 2009, an infill drilling program was started to improve the local estimation inside the areas included in the Paracatu mine plan, and drilling was 8,000 metres, between 2009 and 2010. An additional 7,207 metres was drilled in 2011. The drill spacing was designed for 70 x 70 metres and the program was executed with a focus on increasing geological knowledge and developing a robust Geometallurgic model.

In 2012, the infill drilling programs continue to generate information for the model.

Sampling and Analysis

Core recovery from the Core drilling programs is reported to be excellent, averaging greater than 95%. KBM employs a systematic sampling approach where the drilling (and test pitting) is sampled using a standard one metre sample length from the collar to the end of the hole. Sampling consumes 100% of the core except for the eight centimetre pieces selected from every two metre interval, which are retained and stored for specific gravity and Point Load Testing analysis. Samples for Bond Work Index (“BWI”) analysis are collected as composite samples

during sample preparation.

Samples (typically eight kilograms) are crushed to 95% passing two millimetres and homogenized at the KBM sample preparation lab. Approximately six kilograms of sample is stored as coarse reject; the remaining two kilograms of sample is split out and pulverized to 90% passing 150 mesh. This sample is homogenized and three 50 gram aliquots are selected for fire assaying with an atomic absorption finish. The remaining pulverized sample is maintained as a sample pulp reject.

Sample analyses were performed at three separate analytical labs during the exploration program.

Security of Samples

Kinross completed several studies at the start of the 2005 exploration program. In April 2005, an audit of the KBM mine lab was undertaken to assess lab equipment and procedures. In May 2005, Kinross commissioned Agoratek International ("Agoratek") to review sample preparation and analysis procedures, with a specific mandate to assess the historical practice of assaying six individual 50 gram aliquots per sample and averaging the results. Agoratek concluded that three 50 gram analyses would be sufficient for determining the grade of any given sample.

Based on the lab audit and the Agoratek study, Kinross' standardized sample preparation and analytical procedure for the remainder of the 2005 exploration program was as follows:

Quality control and quality assurance programs were limited during the earlier exploration programs at Paracatu. The dominant quality control procedure involved the use of interlaboratory check assays, comparing results from KBM's analytical lab and SGS Lakefield Research Limited (Lakefield) in Canada. Additional check assay work was carried out at the AngloGold laboratories in Brazil (Crixás and Morro Velho).

For the 2005 exploration program, three laboratories provided analytical services: KBM's lab, Lakefield and ALS Chemex. All three laboratories have ISO certification.

For the 2005 exploration program, all procedures were under direct control of Kinross Brasil and Kinross staff. A quality assurance and quality control program was implemented for the three labs used during the 2005 exploration program. The program consisted of inserted certified standards and blanks in the sample streams. All three labs also reported using round-robin checks. The labs were visited on an infrequent and unannounced basis by KBM representatives. No major sample preparation discrepancies were noted.

Mineral Resource and Mineral Reserve Estimates

Refer to Kinross Mineral Reserves and Mineral Resources on pages 14 — 17 for quantity, grades and category. Assumptions are outlined in the Notes — 2011 Kinross Mineral Reserve and Mineral Resource Statements section commencing on page 17.

Mining and Milling Operations

Historically, mining at Paracatu did not require blasting of the ore. Ore was ripped using CAT D10/11 dozers, pushed to CAT 992 front-end loaders and loaded to CAT 777 haul trucks for transport to the crusher. In 2004, due to increasing ore hardness in certain areas of the mine, KBM began blasting the harder ore. The fleet mentioned above continues to feed the original mill and the new fleet was acquired as part of the Expansion Project. In July 2008 the BE 495 electric shovel was commissioned, along with nine CAT 793 trucks, two CAT 994 loaders and two BE 39 rotary drills, and commenced mining the harder ore destined for Plant II.

In Plant I, ore is crushed through three stages and ground in ball mills prior to introduction into a flotation circuit. The concentrate is treated by gravimetric methods first and the coarser gold is recovered. The flotation and gravity concentrate is then treated by a conventional cyanidation and carbon-in-leach circuit.

The property's July 2006 technical report was prepared in support of the 2006 Feasibility Study and the July 2006 mineral resource and mineral reserve disclosure. The scope of the Feasibility Study was to increase the present ore production from approximately 18 Mtpa to approximately 61 Mtpa via the installation of a new 41 Mtpa treatment plant, designed to treat the harder B2 sulphide ore being encountered as the mine goes deeper. Plant I will treat the softer near-surface B1 ore at a throughput rate of 20 Mtpa until the soft ore is depleted.

Plant II started production in September 2008, and achieved commercial production in December 2008. Plant II consists of an in pit crusher (IPC) consisting of a MMD size, a 1.8 kilometre conveyer to a covered stockpile area, a 38 foot SAG mill, followed by three 24-foot ball mills. The ore recovery process follows the same principles as Plant I of gravimetric separation using jigs, Knelson concentrators and flotation to produce concentrate which is leached using conventional cyanidation and carbon-in-leach circuit.

Life and Mine and Capital Expenditures

Based on the 2011 mineral reserves, which incorporate the Expansion Project, Paracatu is expected to continue production until 2042.

In 2011, KBM incurred approximately $340 million in capital expenditures primarily related to the construction of the third and fourth ball mills at Plant II, as well as tailings facility construction.

Paracatu Projects

In addition to the third and fourth ball mill projects, Paracatu has been working on other relevant projects, as noted below:

New tailings storage facility (Eustaquio): In the third quarter of 2009, the State Environmental Protection Agency of the State of Minas

Gerais (SUPRAM) granted the installation permit (LI) to construct the new Eustaquio tailings facility. Construction of the new facility has commenced and the earthworks of stage 1A were finished on October, 2010, up to 650 metres. The stage 1B, up to 665 metres, started in March 2011. The Company also requires an operating permit in order to operate the tailings facility, which was granted at the end of 2011. The Company expects all environmental requirements to be met and construction is at an advanced stage.

Current tailings storage facility (Santo Antonio): During 2011, construction was underway on a new upstream platform and a buttress to provide additional protection against tailings storage facilities failures. Remaining expenditures of approximately $25 million are expected to be incurred in 2012 as the dam is completed.

Flash Flotation and Desulfurization: These process optimization projects have been commissioned and were started up in the second half of 2011 and are currently being ramped up. They are expected to improve gold recovery and recovery of other constituents required to meet regulatory tailings classification criteria for tailings deposition in the new Eustaquio tailings facility.

For additional information, refer to the heading “Risk Factors — Title and access to Kinross’ properties may be uncertain and subject to risks” in this Annual Information Form.

Kupol mine, Russian Federation



General

Development and construction of the Kupol mine commenced in 2005 by Bema Gold Corporation (“Bema”), which was acquired by Kinross in 2007. As part of the Bema acquisition, Kinross acquired a 75% interest in Kupol.

On 27 April 2011, Kinross completed its acquisition of the remaining 25% of Chukotka Mining & Geological Company (“CMGC”) from the State Unitary Enterprise Chukotsnab (“Chukotsnab”) which is owned by the Government of Chukotka Autonomous District, an autonomous Okrug (region) in the northeast region of the Russian Federation. This transaction gave Kinross 100% ownership of the Kupol mine and the Kupol East-West exploration licences.

Detailed financial, production and operational information for the Kupol mine is available in the MD&A.

Property Description and Location

The property comprises a 17.5 square kilometre licence for subsoil use for geological study and production of gold and silver. This licence was issued by the Ministry of Natural Resource of the Russian Federation on April 6, 2002, and is held by CMGC.

There are no royalties payable in respect of the Kupol mine, but an extraction tax is payable equal to 6% of the sales value for all gold contained in the mined ore and 6.5% of the sales value for all silver contained in the mined ore.

In 2006, CMGC was awarded two new exploration licences surrounding, and adjacent to, the Kupol project. With the acquisition of these two licences, known as Kupol West and Kupol East, CMGC increased its

overall land position in the Kupol project area from approximately 17.5 square kilometres to a combined total of approximately 425.5 square kilometres. On August 27, 2010, Kinross, its certain subsidiaries and B2Gold completed an Assignment, Settlement and Release Agreement pursuant to which B2Gold released Kinross and its subsidiaries from any obligations under the Purchase and Sale agreement with respect to Kupol West and Kupol East licences (see "General Development of Business — Three Year History").

Kinross is in compliance with the Kupol permits in all material respects.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Kupol deposit is located in the northwest part of the Anadyr foothills on the boundary between the Anadyr and Bilibino Regions in the Chukotka Autonomous Okrug. The total distance between the Kupol property and Bilibino is approximately 200 kilometres.

A regional airport serving Bilibino is located 35 kilometres south of Bilibino in Keperveem. Keperveem airport is the closest public airport to Kupol. In 2009 the airstrip at Kupol was certified as an airport and direct daily flights from Magadan to Kupol commenced. The main access point for land freight to Kupol is from the port facilities at Pevek, approximately 400 kilometres north of Kupol. Pevek and Kupol are connected by a combined all-season and winter road for a total distance of approximately 440 kilometres. Freight is transported from the port and stored at a storage yard and shop 21 kilometres from Pevek. From there, a winter road, constructed in December and January of every year, follows the contour of Chaunskii Bay for 133 kilometres then travels due south to Yarakvaam camp (formerly Dvoynoye camp) and across the Maly Anui River to Kupol. The winter road is serviced by five temporary camps and one permanent 60-person, containerized camp and is passable between mid-December and late April.

During spring thaw, summer and fall, Kupol is only accessible by helicopter or fixed wing aircraft via a two to three hour flight from Magadan, a one hour flight from Keperveem or a two hour flight from Anadyr. Magadan is serviced by an all season paved airstrip. Keperveem is serviced by a gravel airstrip capable of handling IL76 aircraft. Anadyr is serviced by an all-season paved airstrip. A 1,800 metre airstrip at the Kupol site is currently in use.

The climate of the region around the Kupol site belongs to the continental climatic region of the subarctic climate belt with extremely severe weather consisting of long and cold winters (8-8.5 months), overcast weather, and short summer periods (2.5 months). The average annual temperature at the Kupol site is -13 degrees Celsius, ranging from -58 degrees Celsius to 33 degrees Celsius.

The Chukotka region is sparsely populated, with approximately 65,000 inhabitants. Of this population, approximately one half of the people live in the two districts where the Kupol deposit is located (Bilibino and Anadyr).

The Kupol property is situated on a height of land adjacent to the divide between the Arctic Ocean and Bering Sea drainages. The Straichnaya River drains north to the Anui River and the Sredniy Kaiemraveem River drains into the Mechkereva River to the south. Topography is moderate, characterized by low rolling hills and occasional flat midland areas. The Sredniy Kaiemveem River bisects the eastern portion of the property. The elevation ranges from 450 to 755 metres.

Permafrost is distributed throughout the property area. Depending on geomorphology, the thickness of the permafrost layer ranges from surface to a depth of 200 to 320 metres and reaches its maximum depth under riverbeds.

The property is located approximately 40 kilometres north of the tree line and is covered with tundra, rock outcrop and felsenmeer. The vegetation is limited to lichen, grass and arctic shrubs and flowers.

Environmental Considerations

Kupol operates in material compliance with applicable environmental laws and regulations and with Kinross' policies on environment, health and safety. There are no known material environmental concerns at Kupol. Kinross estimates the net present value of future cash outflows for site restoration costs at Kupol under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2011, at approximately $36.2 million. There are currently no regulatory requirements for the posting of security for the estimated site restoration costs.

History

Quartz vein float was originally located in the Kupol area in 1966 during a governmental regional mapping program. These float boulders assayed up to 3.0 grams per tonne gold and 660 grams per tonne silver and the find was designated as the "Oranzheviy Occurrence". The main Kupol deposit was discovered by the Bilibino-based, state-funded Anyusk State Mining and Geological Enterprise ("Anyusk") in 1995, through prospecting in the region of the "Oranzheviy Occurrence". Prospecting was aided by the identification of gold, silver, arsenic, and antimony anomalies in a 1:200,000 stream sediment geochemical sampling program. During 1996 and 1997, Anyusk completed mapping, prospecting, magnetic and resistivity surveys, and lithogeochemical and soil surveys.

During 1998, two drill holes were drilled and four trenches were excavated. In 1999, Metall, a Chukotka-based, Russian mining cartel, acquired the rights to the deposit and contracted Anyusk to conduct the exploration work. From 1999 through 2001, an additional 31 trenches and 24 drill holes were completed. In 2000 and 2001, 450 metres of the central portion of the vein system was stripped, mapped and channel sampled in detail. By the end of 2001, the work completed included 3,004 metres of drilling in 26 drill holes, 5,034.1 metres of trenching and 3,110.8 metres of channel sampling. Additionally, the majority of the licence area was surveyed, and a frame for a small mill was constructed immediately south of Bolotnoye Lake, where the 2004-2006 camp is located.

In 2002, Metall's licence was revoked due to nonpayment of contractors and incompletion of the reporting required under the licence. As a result, there was no exploration activity in 2002. In December 2002, Bema entered into an agreement to acquire up to a 75% interest in the property.

Geological Setting

Gold and silver mineralization is hosted by low sulphidation epithermal quartz-adularia veins within a north-south fault zone in Cretaceous andesite flows and pyroclastic units. Gold-bearing banded chalcedonic quartz-adularia veins and breccias are associated with silicification, argillization and rhyolite dykes for 4.1 kilometres along strike. The main vein zone is up to 50 metres wide and has been drilled to a maximum vertical depth of approximately 725 metres. The vein dips range from vertical to 75 degrees to the east. The deposit has been divided into six contiguous zones; from north to south these are North Extension, North, Central, Big Bend, South and South Extension. Mineralization, with widths up to 22 metres, has been defined along 3.9 kilometres of strike.

In 2005, a series of polymetallic veins were discovered starting 350 metres west of the main Kupol structure. These veins strike northwest and dip 55 to 75 degrees to the west.

Exploration

During 2003, Bema completed 22,257 metres of drilling, extensive trenching, metallurgical test work, a site survey, hydrology studies and acquisition of environmental baseline information. In addition, Bema conducted initial engineering work and studies toward a scoping or preliminary economic assessment, which was successfully completed in 2004, and on procurement of equipment and supplies for the 2004 exploration and development program. Bema continued with an extensive drilling and exploration program prior to its acquisition by Kinross.

In 2007, exploration continued on the 650 zone with 14 drill holes (2,489 metres) to test the shallow projections of the vein and refine the geologic model of the area. Also during 2007, through its partial ownership of

B2 Gold, Kinross continued exploration activities on targets identified on adjacent properties. This exploration is ongoing.

In 2011, drilling continued on Kupol Mining Lease (KML) and Kupol West (KW). A total of 41,673 meters were drilled. In KML, from South to North the following zones were drilled: South Extension (650) 1,243 meters, Central 1,323 meters, North 5,802 meters, North Extension 25,430 meters. The program resulted in the conversion of approximately 300,000 ounces of gold equivalent. In KW, 744 meters were drilled at Avgusteisha, 972 meters at Fevral, 3,158 meters at Moroshka, and 3,002 meters at TB2.

Mineralization

Gold and silver occur as native gold, gold-silver alloy electrum, in acanthite and silver-rich sulphosalts (stephanite and pyrargyrite dominant). Gold and these minerals occur with pyrite and minor amounts of arsenopyrite, chalcopyrite, galena and sphalerite predominantly in bands within chalcedonic quartz, quartz and quartz-adularia colloform and crustiform veins and breccias.

Drilling

In 2010 and 2011, underground definition drilling continued with N- and B-sized core for a total of 28,430 meters in 2010 and 30,116 meters in 2011. The Termite core drill continued to test the limits of mineralization in the development headings and to optimize slashing operations and panel extraction, and 3200 meters were drilled in 2010 and 4148 meters were drilled in 2011. Average sample length was one meter.

The RC drill rig continued drilling for grade control in the open pit, completing 7,961.5 meters in 2009, 3,694 meters in 2010, and 2,067 meters in 2011. The RC drill results supplement, and to some extent replace, grade control trenching activities. The holes also help with forecasting future mining areas.

In 2008, South Extension (650) zone surface core drilling program comprised 12,325 metres of H- and N-sized core in 56 holes performed by Russian and Canadian drilling companies under Kinross' supervision. The program infilled the existing pattern of holes from previous campaigns and resulted in a significant conversion of inferred resources to probable mineral reserves. Total Core and RC drilling to date at Kupol is 157,580 metres.

In 2007, a 105-hole underground diamond drill hole definition program produced 5,606 metres of N and B-sized core from drill stations in Big Bend. The geologists laid out the drill fans in Micromine software, and then distributed the layouts to the mine surveyors who painted backsights and frontsights in the drill stations for hole alignment. Drill fans were spaced ten metres apart with four or five holes per fan, designed to penetrate the vein every 15 metres vertically on dip, or in the centre of each stope panel. Drill recovery was >90% overall, with very few instances of poor vein recovery. In instances of bad ground, e.g., in shear zones in the footwall of the vein, the standard NQ rods served as casing and the drillers completed the holes with BQ tools. A REFLEX E-Z Shot downhole digital magnetic recorder measured uncorrected azimuth, dip, temperature and local magnetic field. The readings were transcribed by hand in the field and given to a data entry clerk to enter in the drill hole database. To convert to local north, the azimuth reading was adjusted by -1.8 degrees, based on USGS model WMM 2000 projected to 2007. The mine surveyors also surveyed the collar coordinates in local coordinates, azimuth, and dip of each hole after it was drilled. The surveyors were under the direction of the Russian Chief Mine Engineer.

Geological core drill logs included header, survey, recovery, rock quality designation ("RQD"), structural, mineralogical, and lithologic information. The logging scheme was similar, but condensed from the exploration scheme described in the previous technical reports on Kupol. All information was logged directly into a data recording laptop with online validation parameters. The data logger downloaded to the Kupol server into the GBIS SQL database manager and the contents migrated to database tables. RC logs followed an abbreviated logging procedure excluding structural and geotechnical information. The first sampling task for the geologist was a log of recovery; RQD; and for selected core drill holes, full geotechnical logging of fractures and rock quality. This required some reconstruction of the core in the boxes such as sorting out jumbled sections and fitting broken core together before taking measurements. Next, sampling intervals were determined, marked up, and tagged by the Russian geologists using preprinted sample ticket books. Sample intervals were based on geology (lithology or vein types,

mineralogy, and structure). The geologist could sample across contacts if the vein width was less than the

minimum sample width (30 centimetres). The maximum sample length was one metre and mineralized zones were bracketed by a minimum of one to three metres of sampling into the footwall and hanging wall. Geologists sampled all vein zones and alteration types; each major zone was continuously sampled. Definition drill hole sampling was whole core, with no sawing or splitting.

Shallow trenches in the open pit totalled 28,579 metres as of December 31, 2009. Trench spacing was five to ten metres along strike on the vein, and the median length of each trench was approximately 20 metres. A Komatsu 650 excavator or a dozer scraped a shallow trench through the subdrill or overburden to bedrock. A sampling crew led by a mine geologist cleaned the trench floors with shovels, picks, and/or a blowpipe to prepare the trench for geologic logging and sampling. The geologist used a form similar to a core log to record the lithology, vein type, mineralogy, structure and sample intervals with codes similar to the underground definition core logs. The geologist spray-painted and identified the sample intervals and lithology codes, and in most cases painted a line down the centreline of the proposed sample. The sampling crew collected samples either by moiling them with a hammer and chisel, or with a pavement breaker attached to a portable compressor. Any water that collected in the bottoms of the trenches was dispersed by draining or pumping prior to logging and sampling. The crew collected the samples once or twice a shift and transported them to the on-site assay lab. The average sample length was 0.9 metres.

The pit surveyors laid out end stakes prior to trench excavation. After work completion, the surveyors picked up the first, last, and a variable number of intermediate sample points in the trenches. The trenches were then backfilled prior to production drilling.

Chip channel sampling was the basis for all 2007-2009 underground development production grade control and reporting. Geologists followed written procedures for each face, including mapping geologic and sample intervals graphically, and listing the sample information on a form. The form included a face sketch, depiction of painted instructions, temporal, spatial, and other information adequate to form a complete record of the face. Chip samples from mine development compose a total of 18,490 metres as of year-end with an average length of 0.8 metres.

Sampling and Analysis

Underground chip sampling was a team effort conducted by a crew of one or two samplers, supervised and/or assisted by the geologist. The geologist inserted a sample ticket from preprinted books into each bag and the bags were laid on the ground in order. Sampling always occurred from the footwall to the hanging wall. The geologist painted a level sample line on the face at one metre above the ground and the objective was to make the line disappear during sampling. This approximated a five by five centimetre channel. The geologist also painted sample numbers on the face, and photos were taken as a record of the sampling after it was complete. Geologists broke samples based on the same criteria as for the Core sampling, and at the same maximum and minimum lengths.

Core sample minimum length was 0.25 metres for HQ diameter Core and 0.30 metres for NQ diameter Core. Generally, the maximum sample length was one metre. Mineralized zones were bracketed by a minimum of one to three metres of sampling into the footwall and hanging wall. All vein zones and alteration types of interest were sampled and each major zone was continuously sampled.

Samples containing visible gold or abundant sulphosalt mineralization were indicated by a sample bag at the start of the sample interval, so sampling technicians would employ contamination minimization protocols during cutting and laboratory preparation. Field duplicate samples were marked with flagging tape.

Core to be sampled was delivered to the splitting shack and either taken inside or dead-stacked on the pallets outside. Core was 2/3 split using a diamond saw; the remaining third was returned to the Core box as a permanent record. The rock saw core jig was calibrated to ensure that an even 2/3 split was taken of the Core for both HQ and NQ sized samples.

Trench sampling followed a simple protocol that was similar to Core sampling. The protocol was to attempt to cut intervals that were five to six centimetres wide by five centimetres deep to approximate a Core

sample. The geologist wrote up a submittal sheet, picked up standards and blind pulp reruns at the office, and drove the samples to the lab the same day or to the ovens if they were wet and needed pre-drying.

RC drilling was dry; samples were collected in a cyclone, passed through a Gilson splitter at the end of the drilling interval, and a split transferred to a labelled bag. The hole was blown clean after each one metre sample interval and the cyclone and splitter cleaned with brushes and compressed air.

All samples and gold-silver analyses were performed on-site by a Russian-certified laboratory. Geology modified the on-site quality control program for 2007 to comprise: (a) insertion of standard reference material (standards) to monitor accuracy; (b) coarse blank material (blanks) to monitor contamination and sample mix-ups; and (c) field duplicates (duplicates) and prep duplicate split reruns to monitor precision. All quality control samples were blind to the Kupol laboratory. The Kupol lab also maintained its own internal quality control program. All lab results were electronically imported to a secure, server-based SQL database maintained by an expat database administrator. Russian regulations require periodic submittal of a certain percentage of pulp duplicates to an outside Russian-certified laboratory as an outside check.

Security of Samples

The geologists arranged and personally conducted transport of drill core from the drills in covered wooden boxes. The core was laid out in a secure core logging tent by the responsible geologist and photographed immediately after logging was complete.

Samples were bagged and field blanks/reference standards were inserted into the sample stream by the geologists. The samples were assembled into batches of twenty, in the order they were sampled, and submitted to the laboratory two to three times per day. Well-mineralized or visible gold-bearing samples were indicated on the submission form to ensure that contamination reduction protocols were followed by the laboratory.

Core containing veining is stored in racks in locked tents. Non-mineralized core from the 2005 program is stored either in open racks, or, if it is from areas of condemnation drilling, dead-stacked by hole.

Mineral Resource and Mineral Reserve Estimates

Refer to Kinross Mineral Reserves and Mineral Resources on pages 14 — 17 for quantity, grades and category. Assumptions are outlined in the Notes — 2011 Kinross Mineral Reserve and Mineral Resource Statements section commencing on page 17.

Mining and Milling Operations

The Kupol deposit is mined by underground mining. The underground mining methods utilize mechanized sublevel mining methods to mine ore on a two shift per day, 365 days per year schedule. The first gold pour at Kupol occurred during the second quarter of 2008 and the mill reached its full production rate of approximately 3,000 tonnes per day in October 2008.

The milling process consists of primary crushing and a SAG/ball mill grinding circuit, and includes conventional gravity technology followed by whole ore leaching. Merrill-Crowe precipitation is used to produce gold and silver doré bars. Counter-current decantation ("CCD") wash thickeners recover soluble gold and silver values and a cyanide destruction system is used to reduce cyanide concentrations to an acceptable level for disposal. Tails gravity-flow through a pipeline to a conventional tailings impoundment.

Life of Mine and Capital Expenditures

Based upon the current mineral reserve estimates, the life of mine for Kupol is expected to continue up to 2019. Kinross spent approximately $48.4 million on capital expenditures in 2011.

Financing

On December 22, 2011, Kinross announced that it had completed a $200 million non-recourse loan issued to CMGC by a group of international financial institutions. The non-recourse loan carries a term of five years, with annual interest of London Inter Bank Offered Rate plus 2.5%.

Tasiast, Mauritania



General

The Tasiast mine is currently a conventional open pit gold mine with a combined CIL and dump leach operation producing doré bullion. Commercial production at the mine commenced in 2008. The Tasiast mine and mining permit are owned by Tasiast Mauritanie Limited S.A. ("TMLSA"). A sister company of TMLSA, Tasiast Mauritania Ltd. ("TML") holds four exploration permits whose underlying lands are contiguous to the Tasiast mining permit lands (collectively, the "Tasiast Lands").

TMLSA and TML are wholly-owned subsidiaries of Kinross. Kinross acquired these entities, including the Tasiast mining and exploration permits and lands, through its acquisition of Red Back in September 2010.

Property Description and Location

The Tasiast mine is located in north-western Mauritania, approximately 300 km north of the capital city of Nouakchott and 250 km southeast of the city of Nouâdhibou. The mine and infrastructure are located entirely within the lands subject to the Tasiast mining permit PE 229 (El Gaicha). These lands total approximately 312km^2 in area and fall within the administrative purview of the Inchiri District. The lands comprising the Tasiast exploration permits (Imkebdene, Tasiast Sud, Tmeimichat and N'Daouas Est) total approximately 3118 km^2 in area and fall within the administrative purview of the Inchiri and Dakhlet Nouâdhibou Districts.

TMLSA holds a 100% interest in the Tasiast mine and mining permit lands, and TML holds a 100% interest in the Tasiast exploration permits and permit lands. TMLSA and TML are wholly-owned subsidiaries of Kinross.

A royalty equal to 3% of the gross revenue from Tasiast is payable to the Mauritanian government. Tasiast is subject to a 2% royalty payable to Franco-Nevada Corporation on life of mine gold production in excess of 600,000 ounces.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Tasiast mine is accessed from Nouakchott by using the paved highway from Nouakchott to Nouâdhibou for 370 km and then via 66 km of graded mine access road which is maintained by TMLSA. An airstrip has been constructed at the Tasiast mine and is used for light aircraft from Nouakchott. The principal ports of entry for goods and consumables are either Nouakchott or Nouâdhibou. Materials are transported by road to the mine.

The mine is located in a remote area where there is no electrical utility grid. Three 2.7 MW heavy fuel oil and four 1.0MW diesel generator sets supply power to the site and back-up power generation is provided by eight 1.0 MW diesel generators.

The source of mine water supply is located 60 km west of the mine and is comprised of a semi-saline underground aquifer, which is exploited by twenty wells. Water is pumped to the mine site through two HDPE pipelines to the raw water storage facility at the mine site. System capacity is estimated to be 14,000 m^3 per day. In the first quarter of 2010 pipe failure in the new 500 mm pipeline reduced pumping capacity, adversely impacting the irrigation of the dump leach pads. The failing sections of the pipeline were replaced late 2010, and full dump leach irrigation rates resumed.

The topography of the Tasiast Lands consists mainly of flat, barren plains which are primarily covered by regolith and locally by sand dunes, or eroded paleo-lateritic profiles. Locally, the drainage pattern within and outside of the Tasiast Lands consists of several intermittent dendritic first and second order streams that generally flow southwesterly. Vegetation found on the Tasiast Lands is sparse and consists primarily of grasses and the occasional acacia trees.

The climate is hot most of the year and characterized by low rainfall and strong prevailing NE-SW winds. Temperatures can exceed 45 degrees Celsius and reach lows of approximately 10 degrees Celsius.

The average elevation is approximately 130 metres above sea level. Current third party land use in the Tasiast Lands area consists of limited nomadic livestock farmers. There are no villages, agricultural farms, or artisanal mining activity within or around the mine area. The nearest permanent settlements are located some 100 km north of the mine area, on the Société Nationale Industrielle et Minière rail line at the railway maintenance station PK22.

Environmental Considerations

The initial Environmental Impact Study ("EIS") at Tasiast was undertaken by SNC-Lavalin in 2004. The EIS report was submitted to the Ministry of Petroleum and Mines ("MPM") on May 31, 2004 and subsequently approved by the Director of Mines and Geology on April 12, 2005. Following the publication of new legislation, namely Decrees No. 2004-094 and No. 2007-105, TMLSA was subsequently requested to update the application to be in compliance with new EIS legislation, and the following was therefore required:

· Terms of Reference for the EIS;

· A conforming Environmental Management Plan ("EMP");

· Formal public inquiry;

· Rehabilitation and Closure Plan; and

· Non-technical summary of the EIS aimed at the public and decision-makers.

TMLSA commissioned Scott Wilson Group plc, an international environmental and engineering mining consultancy firm, to undertake the necessary environmental reporting required to comply with Mauritanian legislation. This was completed in 2008.

In June 2009, Red Back submitted an EIS to cover new developments for a second tailings storage facility, a dump leach facility and an expansion of the water borefield. The associated construction and operating permits were received in August 2009.

In May 2010, Red Back submitted an EIS for the West Branch Expansion including the West Branch open pit, the dump leach facility and the waste rock dump. The EIS was deemed to have been approved following the lapse of the legally required timeframe after submission. Subsequently, written authorization was confirmed in September 2011.

Except for Tailings Storage Facility II (TSF2) at Tasiast, Kinross is currently in compliance in all material respects with all materially applicable environmental laws and regulations. Tailings Storage Facility II, designed to contain tailings and associated process solutions generated by current operations, has not performed as designed resulting in localized impacts on groundwater. Authorities are aware of the situation and are monitoring Kinross' remediation efforts which include 1) changes to operations to improve breach development against perimeter dams; 2) improvements to the facility to reduce seepage; 3) installation and maintenance of a perimeter seepage collection system; 4) improved monitoring of seepage including installation of additional wells; and, 5) installation of seepage collection wells. In addition, construction of a new tailings storage facility commenced in late 2011 in order to replace TSF2 in late 2012.

A preliminary rehabilitation and closure plan for the mine has been produced and approved by the authorities. As required by Mauritanian legislation, a final plan will be prepared two years before the cessation of mining. Kinross estimates the net present value of future cash outflows for site restoration costs at Tasiast under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2011, at approximately $6.4 million. Kinross has posted approximately $6.2 million of letters of credit to the regulatory agencies in connection with its closure obligations at Tasiast.

History

In 1996, the Office Mauritanien de Recherches Géologiques completed a regional reconnaissance exploration program within and around the lands hosting the Tasiast deposit and made this information available to third parties. As a result, Normandy LaSource Development Ltd. ("NLSD") (a subsidiary of Normandy Mining Ltd. of Australia) acquired the exploration rights to the Tasiast deposit.

In 2001, NLSD was acquired by Newmont Mining Corporation creating Newmont LaSource. Midas Gold plc ("Midas") was incorporated in England and Wales in 2002 for the purpose of acquiring Newmont LaSource's assets in Mauritania including exploration permits over lands hosting the Tasiast deposit as well as various other permit areas. Midas completed its acquisition of the Tasiast deposit from Newmont LaSource on April 1, 2003 and in April 2003, Geomaque Explorations Inc. ("Geomaque") announced the acquisition of Midas. The merger of Geomaque and Midas ultimately created a new entity - Defiance Mining Corporation ("Defiance"). In June 2004 Rio Narcea Gold Mines, Ltd. ("Rio Narcea") acquired Defiance and took ownership of the Tasiast deposit.

Red Back acquired the Tasiast deposit from Lundin Mining Corporation ("Lundin") in August 2007 following Lundin's acquisition of Rio Narcea. In September 2010, Kinross completed the acquisition of Red Back.

Mining at Tasiast commenced in April 2007 and the mine was officially opened by the President of Mauritania on July 18, 2007. Commissioning of the Tasiast plant continued through 2007 with commercial production declared in January 2008.

Geological Setting

The Tasiast mine is located within the Archean age Aouéouat greenstone belt, a 75 km long by 8 km wide north-south trending belt situated within the south-westerly sector of the Reguibat Shield. The shield is a geological subdivision of Mauritania that is comprised of Precambrian basement granitoid and gneissic domes, mafic and acidic volcanic rocks, volcano-sedimentary rocks and mafic intrusions. The gold deposits forming the basis for the Tasiast gold mine are structurally and lithologically controlled epigenetic banded iron formations ("BIF") and mafic dominated volanic-sedimentary sequences which are part of this greenstone belt.

Two principal mineralized zones have been identified at Tasiast: the Piment Zone, which was the initial mining target, and the West Branch prospect, which is the host to the growing Greenschist Zone resource. On a mine-scale, there are two primary north-south mineralized BIF "tram-lines" which straddle a core of felsic rhyo-dacitic to rhyolitic volcanics. The Piment orebodies form on the eastern limb, while the West Branch forms on the western limb. The recent discovery of the Greenschist Zone lies within the interpreted axis of the fold. All of the orebodies defined to date dip to the east, with values ranging from moderate to steep.

Exploration

The Tasiast deposit lies within an extensive gold system that is largely under-explored. The deposit is open along strike and at depth. Tasiast is the first mine in the highly prospective Aoueouat greenstone belt, which is geologically similar to other Archaen greenstone belts in the world that host major gold deposits.

Early phases of exploration in the Tasiast area was largely empirical with the known deposits discovered through routine soil geochemistry followed up by trenching and later drilling. Prior to 2010, detailed exploration drilling focused on delineating the known deposits. In 2010 and 2011, TMLSA expanded resources by extending drilling on the known structures based on a combination of soil geochemistry, airborne geophysics and geological mapping.

Mineralization

Gold mineralization has been defined over a strike length of greater than 10 km and to vertical depths of at least 740 m. All of the significant ore bodies defined to date dip moderately to the east and have a southeasterly plunge. The majority of mineralisation at West Branch is hosted in altered and veined Greenschist package that is dominantly bound by footwall and hanging wall felsites. The Greenschist zone is characterized by consistently thick intervals averaging approximately 40-100m wide. Individual shoots are continuous over a strike length of at least 1,000 m. Ore mineralogy within the Greenschist package is dominated by pyrrhotite, pyrite and native gold that occur as alteration spots commonly in and around the foliation, or as vein infill. Pyrrhotite and pyrite occur together in many places but in variable ratios. Zones of pyrite-only and pyrrhotite-only are rare.

Drilling

Post acquisition, TMLSA completed 3,672 RC holes (358,629 m) and 339 core holes (212,273 m).

The Tasiast mine property has been the subject of numerous drill campaigns since its discovery in the mid-1990s. At the end of 2011, approximately 10,721 RC holes (945,080 m) and 628 diamond drill holes, including RC pre-collars with core tails (262,066 m), have been drilled on the property. Of that, only 3,748 RC holes (559,106 m) and 290 diamond drill holes (148,125 m) were used for resource estimation.

Between March 2003 and October 2004, Defiance completed approximately 415 RC holes totalling 34,759 m of drilling, and 33 diamond drill holes totaling 2,270 m of drilling on the Piment Zone. Rio Narcea resumed drilling in 2006, completing 179 RC holes (22,062 m) and 18 core holes (4,160 m). Red Back drilled from 2007 until the completion of the acquisition in 2010 and completed 6,192 RC holes (510,399m) and 86 core holes (11,364 m).

Sampling and Analysis

Sampling of drill core and RC cuttings was done in accordance with standard industry practices. Samples from the exploration programme at Tasiast have been analysed at both the onsite SGS facility and at the SGS laboratories at Kayes and Morila in Mali and Ouagadougou in Burkina Faso.

TMLSA sample pulps were analysed for gold using a 50 g fire assay with an AAS finish with a detection limit of 0.01 g/t. In 2010 a total of 18,823 QAQC samples including standards, blanks and duplicates were submitted routinely and blindly to three different SGS laboratories, namely Kayes and Morilla in Mali, and Tasiast in Mauritania. In 2011 a total of 22,525 QA/QC samples including standards, blank and field duplicates were submitted routinely and blindly to five different labs. The available data indicates that the analytical accuracy of the assaying for the mine is within industry accepted standards.

Security of Samples

Closely following Red Back's acquisition of the project in August 2007, the on-site SGS Analabs assay facility became operational. Prior to that time samples had been prepared on site by staff of TMLSA under supervision of senior geological staff. Since that time samples have been prepared and analysed under contract by SGS on site and by SGS Kayes, Mali and SGS Ouagadougou, Burkina Faso. Samples, including duplicates, blanks and certified reference materials were delivered daily from the drill rig to a secure storage area within the Tasiast office complex.

Following Kinross' acquisition of Red Back in September 2010, all drill samples are collected under direct supervision of project staff of the operator at the time, up to the moment they are delivered to laboratory staff. Samples, including duplicates, blanks and certified reference materials are delivered daily from the drill rig to a secure storage area within the Tasiast core facility. Chain of custody procedures consist of filling out sample submittal forms that are sent to the laboratory with sample shipments to make certain that all samples are received by the laboratory.

Mineral Resource and Mineral Reserve Estimates

The mineral resources and mineral reserves of the Tasiast gold deposit were originally estimated by ACA Howe in December 2006. The mineral resources and mineral reserves were updated by Hellman and Schofield and AMC Consultants Pty Ltd. ("AMC") as of December 2007 with a further resource update announced in June 2008, December 2008, August 2009, December 2009, May 2010, September 2010, and December 2010. Reporting for December 2011 was completed by using MPR Geological Consultants Pty Ltd. and AMC.

As at December 31, 2011, proven and probable mineral reserves at Tasiast were 7.5 million gold ounces, measured and indicated mineral resources increased to 11.1 million gold ounces and inferred mineral resources decreased to 1.9 million gold ounces due to conversion to measured and indicated mineral resources.

Refer to Kinross Mineral Reserves and Mineral Resources on pages 14 — 17 for quantity, grades and category. Assumptions are outlined in the Notes — 2011 Kinross Mineral Reserve and Mineral Resource Statements section commencing on page 17.

Mining and Milling Operations

Ore and waste rock is currently mined by conventional open pit methods from 7 small pits. Drilling and blasting is required on all primary rock and 50% of the oxide material. The mining fleet on site is made up of hydraulic excavators loading 90t and 230t haul trucks. A high level of grade control is currently performed using RC drill rigs on a 6m x 8m x 10m pattern. A high degree of selectivity is currently employed, with ore blasts mined in 2.5 m split benches, and down to widths of 2 — 3m as required. Ore is hauled to the 8,000t/d mill. Crushing of the ore takes place in three stages; a primary jaw crusher that reduces ore to less than 150mm; a secondary cone crusher and two tertiary cone crushers producing a final product size of nominally minus 10mm. Crushed ore is fed to two 2.2MW ball mills in closed circuit with hydro cyclones and gravity concentration. The grinding circuit produces a product size of 80% passing 90 microns which is processed in a conventional CIL circuit and ADR plant to produce dore bullion. Gold recovery varies from 92% to 95%. Low grade run of mine oxide ore is trucked directly to dump leach operations, which has been designed to process up to 24.5 mt/a of ore utilising 13 separate pads when completed in July of 2012. The

design of each pad allows for three ten metre lifts for a final stack height of 30m. All ponds are plastic-lined with installed leak detection systems. Gold recovery from the heap leach varies from 65% to 75%. Tailings slurry from the CIL process is pumped to the tailings storage facility ("TSF"). The TSF is a specifically engineered facility, currently comprising two unlined paddock dams, designed to be impervious, located one km south west of the processing plant. After settling of the solids, process solution is recovered and pumped to the plant for re-use.

Metallurgical testwork has been performed to establish the gold recovery that could be achieved from oxide ore using a conventional run-of-mine dump leaching method. The testwok focused on lower-grade material which was below the economic cut-off grade for CIL milling, and which had to be mined. The dump leach material constitutes a low-grade "halo" that typically is located adjacent to or in association with the higher grade ore zones that are being mined for feed to the CIL mill.

Life of Mine and Capital Expenditures

Based on the existing mineral reserve estimates as of December 31, 2011, the mine is expected to continue production until 2040 at the current processing rates of approximately 8,000 tonnes per day. Once mining operations have been completed, the CIL plant will continue operating to process low grade stockpiles that will have been developed during the course of mining. This is expected to continue until 2046.

Kinross is currently considering a potential significant expansion of the processing capacity of the Tasiast project. The Company is in the process of assessing the economics of a "mill-only" processing option for the Tasiast expansion as its base case, using updated mineral resource information from the 2011 infill drilling campaign. The Company is also studying alternative ore processing scenarios, including heap leaching, which requires additional column testing and analysis. Kinross expects to make a preliminary selection of processing options at the end of the second quarter of 2012, and is targeting commencement of construction in mid-2013. The construction timetable and production start dates are expected to be confirmed following completion of the expansion project feasibility study, expected in the first half of 2013.

Exploration and Development

Kinross ramped up drilling activities at the Tasiast mine site in Mauritania during the fourth quarter of 2010 and maintained a high level of activity through 2011. A total of 25 drills were active during 2011. New geophysical data were also acquired and sampling was completed for a soil geochemistry study covering a large portion of the Tasiast permits. In October 2011, the exploration department moved into a new building that includes a core logging and sampling area. The exploration team has been increased in size through the hiring of several highly experienced geologists.

Other Kinross Properties

Round Mountain, Nye County, Nevada, United States

Kinross owns an undivided 50% interest in and operates the Round Mountain gold mine through its wholly-owned subsidiary Round Mountain Gold Corporation ("RMGC"). Two affiliates of Barrick collectively own the remaining 50% interest in the joint venture common operation known as the Smoky Valley Common Operation ("SVCO"). Kinross acquired its interest in Round Mountain in January 2003. Detailed financial, production and operations information for Round Mountain is available in the MD&A.

The Round Mountain mine is located approximately 96 kilometers north of Tonopah in Nye County, Nevada. The Smoky Valley Common Operation controls the mineral and surface rights covering approximately 22,960 hectares through ownership or lease of patented and unpatented mining claims.

Mine production is subject to two net smelter return royalties, one ranging from 3.53% at gold prices of $320 per ounce to 6.35% at gold prices of $440 or more per ounce and the other at a flat 1.5% rate. During 2010, a total of $31.10 million in royalties was paid. During 2011, a total of $33.12 million in royalties was paid. Round Mountain is also subject to the state of Nevada Net Proceeds Tax at a 5% rate whereby gross proceeds from the sale of minerals are adjusted for certain allowable deductions (such as the cost of extraction, transportation, processing, equipment repair and maintenance, fire insurance, equipment depreciation, employee benefits, royalties if taxed to the recipient, and development). For the 2010 calendar year production, $9.73 million of Net Proceeds Tax was paid and for 2011 calendar year production, $13.10 million of Net Proceeds Tax was paid.

The first gold production from the Round Mountain district occurred in 1906. The original Smoky Valley Common Operation was formed in 1975 to operate the mine and commercial production commenced in 1977. SVCO has produced approximately 13.07 million ounces of gold since inception. A series of ownership changes occurred which eventually led to the current 50-50 ownership by Barrick and Kinross.

The Round Mountain mine currently operates a conventional open pit that is approximately 9,600 feet long in the north-west, south-east direction and 6,000 feet wide. The operation uses conventional open-pit mining methods and recovers gold using four independent processing operations. These include crushed ore heap leaching (reusable pad), run-of-mine ore heap leaching (dedicated pad), milling and the gravity concentration circuit. Most of the ore is heap leached, with higher grade oxidized ores crushed and placed on the reusable pad. Lower grade ore and ore removed from the reusable leach pad are placed on the dedicated pad.

In June 2010, the Bureau of Land Management ("BLM") issued the record of decision for the Round Mountain expansion authorizing activities specified in the Plan of Operation. Expansion activities are well underway in the Gold Hill and Round Mountain areas. The Reclamation Plan and Bond Cost Estimate ($114 million) for activities specified in the current Life-of-Mine Plan were approved by BLM and NDEP. A letter of credit is posted with the BLM for Kinross' 50% share of the reclamation obligation. The Reclamation Plan and Bond Cost estimate is reviewed annually and adjusted for inflation, concurrent reclamation, and additional activities.

The Round Mountain expansion and Gold Hill are expected to extend the mine life to 2019, with production expected to continue from stockpiled mill ore until 2021 and the leach pad until 2025. The project expansion will increase the existing Round Mountain Mine's boundary by 1,263 hectares to a total of 4,202 hectares and add an additional 1,994 hectares to accommodate the new Gold Hill facilities. An evaluation of gold mineralization extending west of the existing Round Mountain pit is in process, which could extend the life of the mine beyond 2019.

Exploration will continue in 2012 with the primary emphasis on the Manhattan area to the south of the Round Mountain mine and Shale pit which is on the south side of Round Mountain Mine. The program consists of target generation and permitting of drill targets in the Timber Hill Project portion of the Manhattan Mining district, locating and closure of orphan mine workings and permitting to conduct drilling on the Shale Pit property.

La Coipa, Chile

Kinross acquired its initial 50% interest in the La Coipa mine in January 2003. Kinross now owns a 100% interest following the completion of an asset swap transaction with Goldcorp Inc. ("Goldcorp") on December 21, 2007 pursuant to which Kinross acquired the 50% interest previously owned by Goldcorp. Detailed financial, production and operational information for the La Coipa mine is available in the MD&A.

The La Coipa mine, located approximately 1,000 kilometres north of Santiago in Copiapo Province, consists of six deposits (notable deposits being Ladera-Farellon, Coipa Norte, Brecha Norte, Can Can, Chimberos and Puren), which are operated by Compania Minera Mantos de Oro ("MDO"), a Chilean subsidiary of Kinross, except for Puren which is operated through a joint venture between MDO and Codelco-Chile, with participation interests of 65% and 35%, respectively. The La Coipa mine consists of approximately 7,500 hectares of mineral claims. In addition, Kinross holds a 50% interest in CMLC which covers approximately 7,294 hectares in the area surrounding the La Coipa mine.

No royalties are payable on gold and silver produced from the La Coipa mine properties. A 35% withholding tax is applicable on all dividends disbursed to foreign shareholders, less the corporate income tax already paid. In addition, mining tax is applicable, the specific applicable tax rate being based on a progressive scale that ranges from 0.5 to 5% based on the volume of sales made converted into metric tonnes of copper.

The La Coipa area was identified as a potential precious metals prospect almost a century ago, but did not receive much attention until the 1970s when several companies began to actively explore the area. MDO began drilling in the La Coipa area in 1984 and has completed 377,210 metres of drilling since then, consisting of 1,858 RC holes and 265 Core holes.

The La Coipa mine currently operates four open pits (Ladera-Farellon, Coipa Norte, Can Can and Puren). Mining is carried out with one hydraulic shovel, front-end loaders, diesel rotary drills and 154-tonne trucks. Ore is crushed then ground in a circuit incorporating a SAG mill with a pebble crusher and two ball mills with a throughput of 16,000 tonnes per day. The ground ore is leached, then filtered and washed to separate out the tailings, and the solution is passed through a Merrill-Crowe plan. The precipitate is then sent to the refinery.

The La Coipa mine received an ISO 14001 certification in July 2002. This certification must be renewed every 3 years. The last recertification was made in 2011. In 2011 La Coipa also received certification under the Cyanide Code. There are comprehensive management systems and procedures in place for environment, health and safety. The most significant environmental issue relates to the mercury contained in ore, which after processing and placement in the tailings facility resulted in mercury contamination of the Quebrada La Coipa Aquifer. In the mid 1990s, mercury and cyanide (Hg/CN) from tailings seepage were detected in control wells. MDO made appropriate notifications to responsible authorities and took remedial measures including installation of a groundwater treatment plant at the leading edge of the groundwater management area in 2000. During 2005 and 2006, geochemical investigations in the tailings were completed to characterize the source of the mercury and groundwater hydrochemical and hydrological models were updated for the Quebrada La Coipa Aquifer. The recommendation resulting from a workshop held in 2005 with various consultants and experts was to construct two concrete cut-off walls in the valley at the toe of the tailings areas to isolate the contaminated water and control the Hg/CN migration downstream in the valley. Construction of both cut-off walls was completed in 2007. Water treatment pilot plant tests, to treat water isolated between the concrete walls, were initiated in 2008**.** A seepage model for the tailings facility was developed that indicated tailings pore water will drain for about 80 years after the operation closes. During that period, a water treatment plant will treat the seepage water to acceptable levels. The effluent from the water treatment plant is planned to be injected into the groundwater system. In addition, the water treatment plant at the leading edge of the groundwater management area will continue to operate until the mercury concentration is reduced to acceptable levels. MDO voluntarily provided the remediation project to the regional regulatory authority with a Declaration of Environmental Impact ("DIA"), which DIA was approved on August 31, 2007.

Beginning in 2009 and up until December 2011, recovered mercury was moved offshore and sold in U.S. markets, all in accordance with the approved Environmental Impact Statement for the Transport of Mercury of La Coipa, adopted on August 20, 2007.

During 2010, sectoral environmental permits were obtained to operate the Project Can Can, which were approved by resolutions of the respective authorities, on May 6, 2010 by the Environmental Assessment Service, and on October 8, 2010 by the National Service of Geology and Mining. Also during 2009 and 2010, closure plans for Mantos de Oro and Purén were approved by the National Service of Geology and Mining.

Based on the mineral reserves and mineral resources at La Coipa as at December 31, 2011, the current mine plan is expected to end in 2013.

Kinross believes that there may be potential for additional mineral reserves and mineral resources to be discovered near the present

mine site. In 2012, MDO plans to continue exploring the Cominor property surrounding the La Coipa mine as it is believed to be an area of high potential for locating additional reserves for the MDO plant.

Kettle River — Buckhorn, Washington State, United States

Kinross owns a 100% interest in the Buckhorn Mine following the acquisition of Crown Resources Corporation in August 2006. Crown is a wholly-owned subsidiary of Kinross and is the operator of the Buckhorn Mine. Echo Bay Minerals Company is a wholly-owned subsidiary of Kinross and is the operator of the Kettle River Mill and also holds mineral properties in northern Washington State. Detailed financial, production and operational information for the Buckhorn Mine is available in the MD&A.

The Buckhorn Mine is located in the Myers Creek Mining District of north-eastern Okanogan County, Washington, approximately 77 kilometres by road from the town of Republic, Washington. Kinross controls mineral and surface rights covering approximately 4,700 hectares through ownership or lease of patented and unpatented mining claims and state mining leases.

No royalties are payable on gold and silver produced from the mine. In 2006 Kinross exercised its right to buy-out the royalties on gold and silver production that had been retained by Newmont Mining Corporation.

Exploration continued sporadically with concerted campaigns by large companies in the 1960s and 1970s. Systematic gold exploration began on the current property in 1988 and discovery of significant gold mineralization occurred during this year. Since 1988 a total of 1,845 holes, or 219,024 metres of drilling have been completed on the property. These consist of 655 RC, 1,026 Core, 109 Airtrack and 15 Percussion holes.

The Buckhorn Mine is a three portal access underground mine which will produce material from two primary zones, the South-West and Gold Bowl zones. The primary mining method employed is cut and fill and the target production rate is 1100 tonnes per day. The Buckhorn Mine ore is trucked 77 kilometres to the Kettle River Mill where the ore is crushed and then goes through a rod and ball mill and floatation circuit before being treated by Carbon-In-Leach. Throughput is capable of 1,800 tonnes per day. With excess capacity, the Kettle River Mill occasionally processes material from other mining companies in the western United States and Canada.

The environmental aspects of the project have been studied extensively since 1991 and on September 25, 2006 the Washington Department of Ecology issued a Final Supplemental Environmental Impact Statement and construction commenced. All permits necessary to commence commercial mining operations were issued by the end of 2007.

In 2008, the Buckhorn mine commenced gold production and reached 900 tonnes per day capacity in July 2009 and 1,100 tonnes per day in July 2010.

Based on the existing proven and probable mineral reserves at Buckhorn, the mine is scheduled to continue production until 2016. Kinross believes that there may be potential for additional mineral reserves and mineral resources to be discovered near the present mine site.

Lobo-Marte, Chile

The Lobo-Marte project is owned and operated by Minera Santa Rosa, a Chilean company that is 100%-owned by Kinross, having acquired a 40% interest in the project from Anglo in 2008, and the remaining 60% interest from Teck in early 2009.

The Lobo-Marte project currently comprises two open-pit minable gold ore deposits, located approximately seven kilometres apart, in Region III of Northern Chile, approximately 650 kilometres north of Santiago and 100 kilometres east of Copiapó. The project lies approximately 65 kilometres south of Kinross' La Coipa operation and 60 kilometres north of the Maricunga mine.

The Lobo-Marte project includes 38 concessions that are either granted (33) or under application (5) covering a total of 31,637 hectares in a single contiguous block. Concessions are held in the name of Minera. Kinross has two established easements for the construction of roads, stockpiles, process facilities, camp, support facilities, water extraction and associated pipelines. Additional rights will be required to support project development.

The project has a 1.75% net smelter return royalty on 60% of future production, payable when the gold price is $760 per ounce or more. Kinross' obligation to make royalty payments will cease when an aggregate amount of $40 million has been paid.

The Marte deposit was discovered in 1982 through a program of regional soil sampling, geophysical surveys and geological mapping. The Lobo deposit was discovered through regional geochemical surveys in 1981-1982. The Marte deposit was mined by a joint venture of Anglo American and Cominco from 1988 — 1992; a total of 3.78 million tonnes of ore grading 1.51 grams per tonne of gold, 0.3 million tons of low-grade mineralization and 4.7 million tonnes of waste were mined.

The project is located within a biological corridor established between two sectors of the Nevado Tres Cruces National Park, created to preserve and protect the vegetation of the desert steppes and the Andean salars (salt lakes). Kinross has prepared an environmental and social impact study ("ESIA") for the project and has completed the biophysical and socioeconomic baseline study that supports the ESIA. Because of the recognized environmental importance of these areas, the baseline study for the ESIA is critical to the development of the project. Areas which were addressed include proper management of water extraction, disposition of waste material, heap leach facilities and other installations that interact with the environment.

Prior to 2009, a total of 153 Core and RC drill holes (34,649 metres) were completed at Lobo, with additional 211 Core and RC drill holes (26,658 metres) at Marte. During 2010 a total of 24,148 metres of Core drilling and 4,614 metres of RC drilling were completed at Lobo and Marte. During 2011 a total of 9,289 metres of Core drilling and 4,909 metres of RC drilling were completed at Lobo and Marte. The drilling program for 2012 is currently being defined.

Significant near-deposit exploration potential remains in the project. The Lobo deposit remains open at depth, to the northeast, and to the southeast, outside of pit limits. Mineralization in a fault down-dropped block to the northeast of the Marte pit shell requires additional drill testing as do two satellite pits, Marte Northwest and Marte Southwest. A number of greenfields targets have been identified that have characteristics that suggest the presence of additional centres of porphyry—epithermal mineralization. In addition, potential remains for the identification of new mineralized zones under gravel and post mineral cover.

Kinross has completed a prefeasibility study at the Lobo-Marte project which confirms the viability of a 47,000 tonnes per day open heap leach operation incorporating SART technology, and identifies proven and probable mineral reserves are 6.027 million ounces of gold at an average grade of 1.14 grams of gold per tonne The study estimates initial capital expenditures are approximately $693-776 million and average operating costs of approximately $11.14 per tonne with a total production of 3.563 million ounces over the project mine life. Project infrastructure would include an upgraded powerline providing 22.3 MVA of average power demand, and a 1,500 person camp to accommodate construction and phase into operations. Once operational, the project is expected to employ approximately 700 people, including permanent contractors.

The prefeasibility study update is based on estimated heap leach recovery rates of 56-71%. Optimization opportunities and options that are being explored include potential recovery improvements through the addition of high pressure grinding rolls or potential improvements on finer crushing.

Kinross is extending the project timeline for Lobo-Marte as part of its capital and project optimization process. It will use this additional time to complete permitting, further drilling at the Valy deposit and study opportunities for project optimization. Approval of the Environmental Impact Assessment is targeted for the end of 2012, and completion of the project feasibility study is targeted for 2013.

Cerro Casale, Chile

On March 31, 2010, Kinross sold one-half of its then 50% interest in the porphyry copper deposit known as Cerro Casale, to Barrick. As a result, Kinross holds a 25% interest and Barrick holds a 75% interest in Cerro Casale. The feasibility study completed in February 2010 envisions a conventional open pit and milling/heap leach operation with production capacity of up to 160,000 tonnes per day of sulphide feed. This is processed through a flotation facility and, for the initial part of the mine life, while approximately 100,000 tonnes per day of oxide feed is processed in a heap leach facility. The project is currently in the detailed engineering and procurement phase. The estimated total capital required to develop the project is $6 billion (Kinross' share being $1.5 billion).

The Cerro Casale project is located in the Maricunga District of Region III of northern Chile. The city of Copiapó is 145 kilometres northwest of the deposit. The international border separating Chile and Argentina is located approximately 20 kilometres to the east.

The Cerro Casale project is owned by Compañía Minera Casale ("CMC"), a contractual mining company formed under the laws of the Republic of Chile. CMC owns 103 claim groups containing 6,447 exploitation claims and totalling 32,073 hectares. Some of these claims partially overlap, reducing the actual ground covered by all patented mining claims to an area of 31,653 hectares.

Water exploration concessions are held in three areas: Piedra Pomez, Pedernales and Cerro Casale. Piedra Pomez and Pedernales are located 121 kilometres and 210 kilometres, respectively, north of Cerro Casale. CMC holds permits for 17 wells drilled at Piedra Pomez with a total yield of 1,237.62 litres per second. This area is expected to be the principal source of water for the Cerro Casale project.

Minera Anglo American Chile Limitada and its affiliates are owed a royalty from production from the Cachito and Nevado mining concessions, which cover all of the Cerro Casale deposit. The royalty is capped at $3 million and is based on a gold trigger price, and varies from 1% to 3% of net smelter returns. At the gold prices used to constrain mineral resources and mineral reserves, a 3% NSR royalty is applicable.

Environmental studies for the Cerro Casale project were initiated by CMC in 1998 and led to the preparation of the first environmental impact study ("EIS") presented to the Government of Chile's responsible authority on March 12, 2001. Following a documented review process, approval for this EIS was granted on February 1, 2002. This approval was known as the Aldebaran or RCA 14 EIA.

Since the approval was granted in 2002, there have been changes to the project plan, including new components (for example, the valley heap leach facility) and changes to the original plan (for example, a change in the proposed alignment of the concentrate pipeline). CMC has submitted a new EIS covering all changes made since the Aldebaran EIA (RCA 14) was approved in order to obtain the approvals necessary to proceed with development of the project in accordance with the current project plan.

The Cerro Casale deposit is located in the Aldebarán subdistrict of the Maricunga Volcanic Belt. The Maricunga Volcanic Belt is made up of a series of coalescing composite, Miocene andesitic to rhyolitic volcanic centres that extend for 200 kilometres along the western crest of the Andes. The volcanic rocks are host to multiple epithermal gold and porphyry-hosted gold-copper deposits, including Cerro Casale, Maricunga, Marte and La Coipa, as well as numerous other smaller mineral prospects. The volcanic rocks overlie older sedimentary and volcanic rocks of Mesozoic and Paleozoic age.

Gold-copper mineralization occurs in quartz-sulphide and quartz-magnetite-specularite veinlet stockworks developed in the dioritic to granodioritic intrusives and adjacent volcanic wall rocks. Stockworks are most common in two dioritic intrusive phases, particularly where intrusive and hydrothermal breccias are developed.

Mineralization extends at least 1,450 metres vertically and 850 metres along strike. The strike of mineralization follows west-northwest fault and fracture zones. The main zone of mineralization pinches and swells

from 250 to 700 metres along strike and down dip steeply to the southwest. The highest grade mineralization is coincident with well developed quartz-sulphide stockworks in strongly potassic-altered intrusive rocks.

Exploration programs have been undertaken by a number of companies, including AngloGold, Bema, Arizona Star Resource Group, Placer Dome Inc., Kinross and Barrick. Work completed during 1989-2009 comprised property-wide geological mapping, interpretation of Landsat imagery, ground and airborne geophysical surveys, rock-chip and geochemical sampling, including bulk leach extractable gold and -80 mesh stream sediment, soil, talus, road-cut and grab sampling, trenching, RC and Core drilling, metallurgical testwork, and studies to support pre-feasibility and feasibility-level project assessment. A total of 181 RC and 141 Core and RC—Core holes comprising 127,744 metres support the resource estimate for Cerro Casale.

Maricunga, Chile

The Maricunga heap leach mine, formerly known as the Refugio mine, is owned and operated by Compañía Minera Maricunga ("CMM"), a Chilean company that is now 100%-owned by Kinross, following the February 2007 acquisition of Bema. Previously, each of Kinross and Bema held a 50% interest in the Maricunga property, formerly known as the Refugio property.

The Maricunga property is located in the Maricunga District of the Region III of Chile, 120 kilometres east of the town of Copiapó.

All surface and mineral claims, surface rights and water rights are maintained in good standing. Mining claims total 6,770 hectares, while the exploration properties held by CMM include 2,100 hectares. Chilean attorneys monitor claim status on behalf of CMM annually. In addition to the mineral claim rights, CMM also holds title to surface rights at Maricunga, providing the land required for the leach pads, waste dumps, camp and other facilities. Water extraction rights, totalling 258 litres per second, have been secured by CMM.

The Verde and Pancho gold deposits at Maricunga occur in the Maricunga Gold Belt of the high Andes in northern Chile. Since 1980, a total of 40 million ounces of gold have been defined in the belt.

Gold mineralization at Maricunga is hosted in the Refugio volcanic-intrusive complex of Early Miocene age. These rocks are largely of intermediate composition. The Refugio volcanic-intrusive complex is exposed over an area of 12 square kilometres and consists of andesitic to dacitic domes, flows, and breccias that are intruded by subvolcanic porphyries and breccias.

Most of the structural trends affecting the Verde and Pancho deposits are related to fracture systems rather than fault zones. One of the main structural features influencing the Pancho deposit is the Falla Guatita fault zone. Field mapping suggests that there may be significant vertical displacement on this structure. Another major fault affecting the Pancho deposit is the Falla Moreno. This structure trends roughly east—west and forms an approximate northern boundary for the mineralization at Pancho.

Production at Maricunga (then known as Refugio) reopened in October 2005 and achieved its targeted rate of 14 million tonnes per year (40,000 tonnes per day) in late 2005. The mine operates two 12-hour shifts per day for 355 days annually allowing for inclement weather interruptions. Final pit design for Verde and Pancho assumed ten metre bench heights, bench face angles of 65 to 70 degrees, berm widths between 8 to 11 metres, berm interval of 20 metres, inter-ramp angles of 38 to 53 degrees and haul road gradient at 10% with a 25 metre road width.

The Maricunga gold recovery process consists of a single line primary crushing, fines crushing (secondary and tertiary), heap leaching using cyanide solution, followed by adsorption and regeneration plant operation. The process is designed to treat 40,000 tonnes per day of dry Maricunga ore. The crushing plant product is approximately 80% passing 10.5 millimetres. Crushed ore is hauled to the heap leach pads by haul trucks.

The SART (Sulphidization, Acidification, Recycling, and Thickening) process will be added to the plant, principally to control soluble copper in the leachate.

Based on the recovery estimates by ore type, process recovery over the mine life is expected to average 65.9% of contained gold in the plant feed. Life of mine annual gold production is expected to range from 200,000 to 290,000 ounces in situ on a 100% basis, with higher annual production during the years in which oxide ore is being mined and processed from the Pancho pit.

The actual reserves will likely result in the need to permit additional leach pad capacity, but this is not considered to be a material risk, as the existing permitted space is sufficient for the majority of the remaining reserves (272 million tonnes). Based on the expected processing rates and reserves, the mine life of the Maricunga property is estimated to continue up to 2028.

Kinross spent approximately $149.3 million on capital expenditures in 2011. The most significant projects completed were: pre-stripping for Pancho Pit Phase 2, construction of the SART Plant, purchase orders for new mining equipment and construction of the leach pad extension.

Chirano, Ghana

Kinross acquired the Chirano gold project through its September 17, 2010 acquisition of Red Back. The Chirano gold project is owned and operated by Chirano Gold Mines Limited ("CGML"). CGML is 90% owned by Kinross with the remaining 10% owned as a carried interest by the Government of Ghana. Chirano operations are managed by a third party contractor.

The project is located mostly in the Bibiani-Anhwiaso-Bekwai District and partly in the Sefwi Wiawso District of the Western Region of Ghana. It is 100 kilometres south-west of Kumasi, which is Ghana's second largest city. Access to the project area from the capital Accra is via a sealed highway to Kumasi and then running south-west towards Bibiani and onwards to Sefwi-Bekwai.

The project area lies within the Paleoproterozoic terrain of south west Ghana, located just within the Sefwi Belt, very close to its margin

against the Kumasi Basin to the east. Both the belt and basin both comprise rocks of Birimian age, with the belt dominated by mafic volcanics and the basin typified by fine grained, deep-water sediments. Both are intruded by granites.

The Chirano gold project was the first new mine built in Ghana for more than ten years and commenced gold production in 2005 with a surface mining operation from three pits and an initial annual gold production target of 130,000 ounces. Surface mining operations have now been expanded to nine pits over a 10 km strike, and an underground operation has been developed and production established. Processing capacity was increased from 2.0mt/a to 3.8mt/a with a major plant expansion that included a third mill and a tertiary crushing circuit, to accommodate the additional mining. Annual gold production is now over 261,000 ounces. Currently a second underground mine is nearing production which is expected to increase annual gold production in 2012.

Since commencement of exploration activities in the late 1990s CGML has grown to now employ approximately 2,200 people. CGML has shown commitment to continual improvement towards excellence in health, safety and environmental matters, as well as promoting sustainable development within the immediate communities. The company is committed to a health and safety program that protects the safety and well-being of staff, clients, contractors and the general public in all aspects of its business operations.

The operations are guided by the Guidelines for Mining in Productive Forest Reserves in Ghana. Strategic efforts are being made to limit the impact of mine operations on the forest reserves. There is a closure plan in place to return disturbed areas to a functional, viable and self-sustaining ecosystem where feasible.

Dvoinoye, Russian Federation

The Dvoinoye project is 100% owned by Kinross following the acquisition from Northern Gold LLC and Regionruda LLC in 2010. The Dvoinoye project is a high grade epithermal gold deposit located approximately 100 km north of Kinross' Kupol operation within the remote, undeveloped, mountainous area of the Chukotka Autonomous Okrug in Far East Russia. The Dvoinoye deposit hosts an inactive open pit mine which previously operated six months per year, with throughput of approximately 250 tonnes per day.

Kinross plans to develop the Dvoinoye operation as a larger underground mine, and to transport ore to the Kupol mill for processing, pursuant to an ore purchase agreement with Kinross' 100%-owned CMGC, the owner of the Kupol mine. By leveraging existing Kupol facilities, Kinross expects to eliminate the need for construction of an additional processing plant, and allow for treatment of Kupol ore with higher-grade Dvoinoye ore.

Up to three core rigs were active on the property in 2011, resulting in the completion of over 31,000 metres of drilling including exploration, engineering and condemnation holes.

A scoping study on the Dvoinoye project was completed in January 2011 and a feasibility study commenced in February 2011 and the processing of ore remained on target to commence in the second half of 2013. The feasibility study is based on developing Dvoinoye as an underground mine with an output of up to 1000 tonnes per day and a mine life from 2013 through 2020. Dvoinoye feed is expected to be processed at the Kupol mill and is expected to allow an increase in mill throughput to approximately 4,500 tonnes per day, requiring relatively minor modifications to the processing plant. Processing of Dvoinoye ore at Kupol is targeted to commence in the second half of 2013.

Permitting is proceeding as planned, and the five-year exploration plan for Dvoinoye, including an exploration decline, has been approved by government authorities. Underground development of the decline commenced in January 2011 and in 2011 a total of 1322 m of underground development was completed. The truck shop and water storage buildings have been delivered to site and the permanent camp, key equipment and supplies for the 2012 construction program are being assembled in the Port of Pevek for delivery to site on the 2012 winter road. Earthworks for the permanent camp and most other permanent facilities are largely complete and concrete foundation work is in progress.

Kinross expects that project development milestones in 2012 will include continuation of underground development, installation of the permanent camp, erection of the truck shop and water storage buildings, erection of the fuel storage facility, construction of other additional site facilities and infrastructure and the release of a feasibility study. Exploration drilling is expected to continue at Dvoinoye in 2012 to further define resources and reserves and to test additional exploration targets.

Fruta del Norte, Ecuador

Aurelian Ecuador S.A. ("AESA") holds a 100% interest in the Condor project, which includes the FDN deposit. Kinross acquired AESA and FDN through its 2008 acquisition of Aurelian. FDN was discovered in the first half of 2006 and is a significant gold and silver deposit. In addition to this deposit, the Condor project area has several other unexplored exploration targets.

The Condor project consists of 35 mining concessions covering approximately 85,000 hectares located in southeast Ecuador, largely in the province of Zamora-Chinchipe, with some in Morona-Santiago. The majority of the concessions form a large contiguous block that extends from the Rio Nangaritza eastward to the international border with Peru. The La Zarza concession, which hosts the FDN deposit, is situated between 9,575,900 to 9,585,000 N and 781,000 to 773,000 E of UTM zone 17S (PSAD 1956 datum). The term of each concession is 25 years according to the recently promulgated Ecuadorian mining law, of which 21 years remain on the La Zarza concession.

The nearest large city to the Condor project area is Loja, which has a population of approximately 190,000 and lies approximately 80 km west-southwest of La Zarza concession. Loja has daily scheduled air service from the national capital Quito, as well as from Ecuador's largest city and port Guayaquil. The Condor project area is located approximately 195 road-kilometres from Loja.

The Cordillera del Condor is a mountain system situated east of, and parallel to, the axis of the Andes Mountains. It defines the international border with Peru in southeastern Ecuador. Locally, the Cordillera del Condor consists of heavily dissected, steep ridges that rise from the Rio Zamora and Rio Nangaritza valleys (approximately 850 metres above sea level) to sharp ridges and flat-topped mesas, up to 2,400 metres above sea level, which lie along the border. The majority of the Condor project, including La Zarza concession, lies in the highlands south of the Rio Zamora and east of the Rio Nangaritza, both of which flow into the Amazon River drainage system.

Kinross has continued the process of acquiring sufficient surface right agreements to support project development and access. Approximately 80% of the required agreements to surface rights have been obtained.

Modern exploration of La Zarza concession began in 1996 with reconnaissance sampling by Minera Climax del Ecuador ("Climax"), a subsidiary of Climax Mining Ltd. of Australia. It optioned the concession from Amlatminas S.A. ("Amlatminas") in March 1997 and began a more extensive exploration program.

In 2001, Aurelian Resources Corporation Ltd. (the private, predecessor company to Aurelian), recognized the exploration potential of southeast Ecuador and began compiling a land package in the Cordillera del Condor region through staking under the recently revised mining act. Aurelian's exploration began in 2001 with an initial site visit and continued in 2002 with confirmation sampling on La Zarza concession, completed for the technical report supporting the company's TSX-V listing.

The FDN deposit is classified as an intermediate sulphidation epithermal gold-silver system, with multi-phase quartz-carbonate-sulphide stockwork veining and hydrothermal brecciation traced over widths of 80 to 150 metres at the central part and increasing to over 300 metres at the southern end. The epithermal system is currently defined over a strike length of 1,300 metres. The stockwork veining comprises closely spaced, multidirectional veinlets at shallow levels, but at depth the number of sheeted veins increases while the overall stockwork intensity progressively decreases. Hydrothermal brecciation textures vary from fine, millimetre-scale crackle brecciation to matrix-supported brecciated "veins". The deposit is also cut by a series of more discrete, larger (0.5 to 5 metres wide), banded epithermal veins. These veins typically exhibit classic space-filling epithermal textures with crustiform-colloform banding, cockade and bladed calcite (usually pseudo-morphed by quartz).

Drill campaigns completed project-wide from 1997 to the end of 2010 comprise 360 Core holes (143,929 metres). A total of 222 drill holes (107,983 metres) between 2006 and 2010 were completed in the FDN deposit area, of which 184 are used to support reserve and resource estimation. Drill spacing varies from about 100 metres x 100 metres on the periphery of the deposit to approximately 30 x 30 metres spacing in the deposit core.

Core sizes produced varied according to the rig type; the majority of core, however, ranges from HQ (63.5 millimetres diameter) to NQ (47.6 millimetres) with lesser HQ3—NQ3 (drilled for geotechnical purposes), NTW (56 millimetres) and BTW (42 millimetres) sizes.

All strongly altered or epithermal mineralized intervals of core were sampled, with the exception of some intervals within the Suarez Formation once it was established that this material did not contain potentially economic levels of gold. Sampling always began at least five samples above the start of mineralization. Sample intervals were a maximum of two metres in unmineralized lithologies and a maximum of one metre in mineralized

lithologies. Smaller samples were selected around high grade, visible gold-bearing veins, with a minimum sample length of 20 centimetres.

There are no mining or milling operations at FDN. Kinross is working to prepare a feasibility study.

Kinross plans to continue both regional and FDN-specific exploration in 2012. Regional exploration is budgeted at approximately $6 million in 2012. Exploration at FDN will consist of continued development of a decline to access underground drilling locations. The underground drill corridor will be developed from the Bonza-Las Peñas mineralization near the Las Peñas camp to the south end of the FDN deposit. In 2012, the underground decline development is budgeted for approximately $20 million, which is expected to be capitalized.

A total of approximately $80 million has been budgeted for activities in 2012, including regional exploration, project engineering to continue a feasibility study on the FDN deposit and continued construction and development of the advanced exploration decline in 2012.

Discussions with the Ecuadorian government are ongoing in order to advance negotiation of the definitive exploitation and investment protection agreements, to Kinross' satisfaction. Kinross continues to explore options to optimize capital allocation and improve overall project economics prior to finalizing the project feasibility study and completing the exploitation and investment protection agreements.

RISK FACTORS

The business and operations of Kinross are subject to risks. In addition to considering the other information in this Annual Information Form, you should consider carefully the following factors in deciding whether to invest in securities of Kinross. If any of these risks occur, or if other risks not currently anticipated or fully appreciated occur, the business and prospects of Kinross could be materially adversely affected, which could have a material adverse effect on Kinross' valuation and the trading price for its shares.

The financial and operational performance of Kinross is dependent on gold and silver prices.

The profitability of Kinross' operations is significantly affected by changes in the market price of gold and silver. Gold and silver prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Kinross. The price of gold and/or silver can be subject to volatile price movements and future serious price declines could cause continued commercial production to be impractical. Industry factors that may affect the price of gold and silver include: industrial and jewellery demand; the level of demand for such metals as an investment; central bank lending, sales and purchases of the metals; speculative trading; and costs of and levels of global production by producers of the metals. Gold and silver prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the US dollar (the currency in which the price of the metals is generally quoted) and other currencies; interest rates; and global or

regional political or economic uncertainties.

If the world market price of gold and/or silver were to drop and the prices realized by Kinross on gold and/or silver sales were to decrease significantly and remain at such a level for any substantial period, Kinross' profitability and cash flow would be negatively affected. In such circumstances, Kinross may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, which could have an adverse impact on Kinross' financial performance and results of operations. Under such circumstances, Kinross might curtail or suspend some or all of its exploration activities, with the result that depleted reserves are not replaced. In addition, the market value of Kinross' gold and/or silver mineral reserves and mineral resources might be reduced and existing reserves might be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices. Furthermore, certain of Kinross' mineral projects include copper, which is similarly subject to price volatility based on factors beyond Kinross' control.

Kinross' operations and profitability are affected by shortages and price volatility of other commodities and equipment.

Kinross is dependent on various commodities (such as diesel fuel, electricity, steel, concrete and cyanide) and equipment to conduct its mining operations and development projects. There has been an increase in the worldwide demand for critical resources such as input commodities, drilling equipment and tires. The shortage of any such commodities, equipment and parts or a significant increase of their cost could have a material adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, production. The Company is also dependent on access to and supply of water to carry out its mining operations, and such access and supply may not be readily available, especially at the Company's operations in Chile and Mauritania. Market prices of commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond Kinross' control. If the costs of certain commodities consumed or otherwise used in connection with Kinross' operations and development projects were to increase significantly, and remain at such levels for a substantial period, Kinross may determine that it is not economically feasible to continue commercial production at some or all of Kinross' operations or the development of some or all of Kinross' current projects, which could have an adverse impact on Kinross' financial performance and results of operations.

Kinross' future plans rely heavily on mine development projects, which involve significant uncertainties.

The Company's ability to increase or maintain present gold and silver production levels is dependent in part on the successful development of new mines and/or expansion of existing mining operations. Major development projects for Kinross include the addition of the fourth ball mill at Paracatu, Dvoinoye, Lobo-Marte, Fruta del Norte, Cerro Casale, the expansions at Maricunga and Tasiast, the extension of mine life at Round Mountain and the Fort Knox heap leach project in Alaska. Development projects rely on the accuracy of predicted factors including: capital and operating costs; metallurgical recoveries; reserve estimates; and future metal prices. Development projects are also subject to accurate feasibility studies, the acquisition of surface or land rights and the issuance of necessary governmental permits. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal restrictions or governmental intervention, infrastructure limitations, environmental issues, disputes with local communities or other events, could result in one or more or our planned developments becoming impractical or uneconomic to complete. Any such occurrence could have an adverse impact on Kinross' financial condition and results of operations.

In addition, as a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project. The project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of Kinross. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated.

Changes to the extensive regulatory and environmental rules and regulations to which Kinross is subject could have a material adverse effect on Kinross' future operations.

Kinross' mining and processing operations and exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. The legal and political circumstances outside of North America cause these risks to be different from, and in many cases, greater than, comparable risks associated with operations within North America. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on Kinross, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. Compliance with these laws and regulations is part of the business and requires significant expenditures. Changes in regulations and laws, including those pertaining to the rights of leaseholders or the payment of royalties, net profit interest or similar amounts, could adversely affect Kinross' operations or substantially increase the costs associated with those operations. Kinross is unable to predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective.

The operations of Kinross require licenses and permits from various governmental authorities to exploit its properties, and the process for obtaining licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays and uncertainties. Such licenses and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, criminal liability, suspensions or revocation of permits and licenses and other penalties. There can be no assurance that Kinross has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that Kinross has all required licenses and permits in connection with its operations. Kinross may be unable to obtain on a timely basis or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of

mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost. In addition, third parties may, from time to time, challenge Kinross' permits and licences and/or applications for permits and licences which could lead to delays and/or suspension of development projects and/or current operations.

Kinross' exploration programs in North America are subject to federal, state, and local environmental regulations. For example, in the U.S., some of Kinross' mining claims are on United States public lands and The United States Forest Service (the "USFS") and BLM extensively regulate mining operations conducted on public lands. Most operations involving the exploration for minerals are subject to laws and regulations relating to exploration procedures, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odour, noise, dust, and other environmental protection controls adopted by federal, state, and local governmental authorities as well as the rights of adjoining property owners. In addition, in order to conduct mining operations, Kinross will be required to obtain performance bonds related to environmental permit compliance. These bonds may take the form of cash deposits, letters of credit provided through the banking syndicate line of credit, or, if available, could be provided by outside insurance policies. Kinross will be required to prepare and present to federal, state, or local authorities data pertaining to the effect or impact that any proposed exploration or mining activity may have upon the environment and propose mitigation to decrease environmental impacts. All requirements imposed by any such authorities may be costly and time-consuming and may delay commencement or continuation of exploration, mine development or production operations.

The mineral reserve and mineral resource figures of Kinross are only estimates and are subject to revision based on developing information.

The figures for mineral reserves and mineral resources presented herein, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realized, are estimates and no assurances can be given as to their accuracy. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. It may also take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a deposit may change. Reserve and resource estimates are materially dependent on prevailing gold and silver prices and the cost of recovering and processing minerals at the individual mine sites. Market fluctuations in the price of gold or silver or increases in recovery costs, as well as various short-term operating factors, may cause a mining operation to be unprofitable in any particular accounting period.

Prolonged declines in the market price of gold and/or silver may render reserves containing relatively lower grades of gold and/or silver mineralization uneconomic to exploit and could reduce materially Kinross' mineral reserves and mineral resources. Should such reductions occur, material write downs of Kinross' investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow. There is no assurance that Kinross will achieve indicated levels of gold or silver recovery or obtain the prices assumed in determining the mineral reserves. The estimates of mineral reserves and mineral resources attributable to a specific property are based on accepted engineering and evaluation principles. The estimated amount of contained gold and silver in proven and probable mineral reserves does not necessarily represent an estimate of a fair market value of the evaluated properties.

There are numerous uncertainties inherent in estimating quantities of mineral reserves and mineral resources. The estimates in this Annual Information Form are based on various assumptions relating to gold prices and exchange rates during the expected life of production, mineralization of the area to be mined, the projected cost of mining, and the results of additional planned development work. Actual future production rates and amounts,

revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures, and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in material downward revision to current estimates.

Kinross' operations may be adversely affected by changing political and economic conditions.

Kinross has mining and exploration operations in various regions of the world, including the United States, Brazil, Chile, Ecuador, Ghana, Mauritania and the Russian Federation and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; piracy; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest in countries in which Kinross operates and/or neighbouring countries and regions; regime change; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in countries in which Kinross operates may result in these governments adopting different policies respecting foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, duties and royalties, rates of exchange, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Kinross to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation. Such changes could also adversely affect our ability to obtain financing on acceptable terms for the exploration, development, expansion or operation of our properties. In addition, governments in these countries may in the future adopt substantially more onerous laws or policies, which might extend to, as an example, expropriation of assets.

Tax regimes in the countries in which Kinross operates may be subject to differing interpretations and are subject to frequent change. Kinross' interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and Kinross' operations may be assessed, which could result in significant additional taxes, penalties and interest.

Kinross is subject to hazards and risks associated with exploration and mining activities and insurance may be insufficient to cover these risks.

The operations of Kinross are subject to the hazards and risks normally incidental to exploration, development, and production activities of precious metals mining properties, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of Kinross may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which Kinross has interests. Hazards and risks, such as unusual or unexpected formations, faults and other geologic structures, rock bursts, pressures, cave-ins, flooding, pit wall failures, ground and slope failures and inventory theft, could have an adverse impact on Kinross' operations. Severe weather conditions, including those resulting from global climate change, may adversely impact Kinross' operations. As a result, production may fall below historic or estimated levels and Kinross may incur significant costs or experience significant delays that could have a material effect on Kinross' financial performance, liquidity and results of operations. For example, a significant and prolonged increase in temperatures near Kinross' Kupol mine could result in the melting of the ice road which leads in and out of the Kupol mine or could cause ground instability at the mining operations. At the Paracatu mine, a significant increase in rainfall could result in flooding, which may disrupt mining operations.

Further, few mining properties that are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities. Large amounts of capital are frequently required to purchase necessary equipment. Delays due to equipment malfunction or inadequacy may adversely affect Kinross' results of operations. It is impossible to ensure that the current or

proposed exploration programs on properties in which Kinross has an interest will result in profitable commercial mining operations.

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants which affect capital and operating costs. Lack of such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could adversely affect Kinross' operations, financial condition, and results of operations.

Available insurance does not cover all the potential risks associated with a mining company's operations. Kinross may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss. Moreover, insurance against risks such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production is not generally available to Kinross or to other companies in the mining industry on acceptable terms. As a result, Kinross might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons. Losses from these events may cause Kinross to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

If Kinross does not develop additional mineral reserves, it may not be able to sustain future operations.

Because mines have limited lives, Kinross must continually replace and expand its mineral reserves as they are depleted by production at its operations in order to maintain or grow its total mineral reserve base. The life-of-mine estimates included in this Annual Information Form for each of Kinross' material properties are based on a number of factors and assumptions and may prove to be incorrect. Kinross' ability to maintain or increase its annual production of gold and silver will significantly depend on its ability to bring new mines into production and to expand mineral reserves at existing mines. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves and to construct mining and processing facilities. As a result of these uncertainties, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries. As a result, the reserve base of Kinross may decline if reserves are mined without adequate replacement and Kinross may not be able to sustain production beyond the current mine lives, based on current production rates.

The mineral resources of Kinross may not be economically developable, in which case Kinross may never recover its expenditures for exploration and/or development.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of measured, indicated or inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves. Measured, indicated and inferred mineral resources are not recognized by the U.S. Securities and Exchange Commission and U.S. investors are cautioned not to assume that any part of mineral deposits in these categories will ever be converted into reserves or recovered.

Kinross is subject to risks related to environmental liability, including liability for environmental damages caused by mining activities prior to ownership by Kinross and reclamation costs and related liabilities.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the effects on the environment resulting from mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the ownership of a property by Kinross. The payment of such liabilities would reduce funds otherwise available and could have a material adverse effect on Kinross. Should Kinross be unable to fully fund the cost of remedying an environmental problem, Kinross might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the operations and business of Kinross.

Kinross is generally required to submit for government approval a reclamation plan and to pay for the reclamation of its mine sites upon the completion of mining activities. Kinross estimates the net present value of

future cash outflows for reclamation costs under IFRS, IAS 37 and IFRIC 1 at $598.6 million as at December 31, 2011 based on information available as of that date. Any significant increases over the current estimates of these costs could have a material adverse effect on Kinross.

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation costs. As of December 31, 2011, letters of credit totalling $170.8 million had been issued to various regulatory agencies to satisfy financial assurance requirements for this purpose. The letters of credit were issued against the Company's Letter of Credit guarantee facility and the Company believes it is in material compliance with these reclamation and remediation security requirements. Evolving regulation in certain jurisdictions related to financial assurance requirements for reclamation and remediation costs may require additional security to be provided which could have a material adverse effect on Kinross.

The Russian Federal Strategic Investments Law and amendments to the Russian Subsoil Law may have adverse effects on Kinross' development projects in Russia.

On May 7, 2008, the Russian federal laws "On the Procedure for Foreign Investment in Companies of Strategic Significance for State Defence and Security" (the "Strategic Investments Law") and "On Amendments to the Subsoil Law" came into effect. A number of important amendments to the Strategic Investments Law became effective on December 18, 2011.

The Strategic Investments Law (as amended) sets forth the criteria whereby certain transactions entered into by a foreign investor require prior approval from the Russian Federation ("RF") authorities. Such approval will be required if: (1) the Russian Company ("RusCo") is engaged in activities which are defined as strategic for the purposes of national security and defence, and (2) where a RusCo holds rights to a "strategic deposit" (such as Kupol or Dvoinoye), a potential foreign investor directly or indirectly obtains 25% (formerly 10%) or more of the voting shares of the RusCo, or there exists some other mechanism for control over (such as a management agreement) the RusCo. This approval requirement applies in respect of indirect acquisitions of equity interests, such that a third party non-Russian purchaser of 25% or more of Kinross' ownership interest will be required to obtain applicable governmental approvals.

The Strategic Investments Law designates geological study and/or mining work in subsoil areas of federal significance as strategic activity. According to the RF Subsoil Law (as amended in 2008), subsoil areas of federal significance, among other things, include those that contain according to the records of the state balance of mineral reserves as of January 1, 2006, gold reserves of 50 tonnes (or 1,763,698 ounces) or more and/or 500,000 tonnes or more of copper. The Kupol and Dvoinoye deposits were listed as strategic deposits, as their gold reserves exceed 50 tonnes.

Kinross has successfully obtained Strategic Investments Law approval from the RF authorities respecting the acquisition of Dvoinoye and, more recently, the acquisition of the remaining 25% of Kupol.

Under the Strategic Investment and Subsoil laws and RF Government Resolution no. 697 dated September 16, 2008, combined license holders (such as CMGC with respect to the Kupol East and Kupol West licenses) are required to seek approval from the RF Government prior to the commencement of mining operations on a strategic deposit under a combined license. The RF government has the right to terminate the combined license after completion of geological surveys, if 50 or more tonnes (a "strategic deposit") are discovered during the exploration stage with respect to either of these deposits. If such approval is not obtained or the license is terminated, CMGC will not be able to mine under the Kupol East and Kupol West combined exploration and mining licenses or the Vodorazdelnaya property after completion of geological surveys. Although the RF Government has granted such approval to other foreign parties (including Kinross, as noted above), there can be no assurance that such approval to mine will be granted to the license holder by the RF Government or what the terms of such approval might be. In the case of a withdrawal of a license, the RF Government is required to reimburse the expenses (including finance expenses, but subject to a cap on interest) incurred in respect of the geological study of the subsoil plot and any tender fee amount paid by the license holder plus a termination fee (in the case of a gold deposit, the termination fee is equal to 30% of the amount of reimbursable expenses). In addition, the license holder may be paid a finder's fee by the RF Government in its discretion.

Changes in economic and political conditions in Ecuador could adversely affect Kinross' Fruta del Norte project in that country.

Kinross may be negatively affected by political uncertainty and economic instability, or by unanticipated legislative, regulatory or public policy initiatives, in Ecuador in the future.

There are risks that, should they materialize, could create a situation adverse to the Company or which could undermine the ability of mining companies to operate successfully in the country. These risks include, but are not limited to, the possibility that: (1) the mining and investment laws, and their respective regulations, are amended or administered in a manner which renders the development of the FDN deposit, or large-scale mining in general, uneconomic; (2) a deterioration in Ecuador's economy and public finances, or other unforeseen matters, causes the government to introduce fiscal measures which make it difficult or impossible for the Company to raise or justify the investment of capital necessary to successfully develop the FDN deposit; (3) the government decides to replace the dollar as the official currency of Ecuador with an alternative or secondary currency and introduces an exchange system and capital controls that make it difficult for international companies to operate in Ecuador; (4) internal political volatility could generate a situation in which delays occur for contract negotiations or permit approvals, resulting in changes to the overall project schedule; (5) legislation could be approved which has a material impact on the Company's ability to advance with project development; and (6) the Ecuadorian government could expropriate the FDN deposit under its laws and regulations or otherwise. If the Ecuadorian government continues its existing default or subsequently defaults on additional foreign debt obligations, this could have negative implications for the country's economy and investment climate.

The Mining Law in Ecuador could adversely affect the Fruta del Norte project.

Pursuant to the Ecuadorian mining law, the Ecuadorean government has the unilateral right to terminate mining concessions for certain

specified causes, including but not limited to: (1) non-payment of certain fees, royalties and taxes due under the Mining Law; (2) failure to file certain reports detailing exploration activity and annual production; (3) conducting unauthorized exploitation activities; (4) fraudulent misrepresentation of information contained in reports submitted pursuant to the Mining Law; (5) environmental damage declared in accordance with the environmental regulations; (6) damage to cultural property; and (7) violation of human rights. Once a mining concession is terminated for any reason set forth above, the mining concessionaire cannot obtain a concession that covers, in whole or in part, the area covered by the original concession for a period of three years following the date of termination.

The Ecuadorean government may dispute whether cure rights are available under the mining law for certain of the specified causes for termination, including for failing to pay any amounts due under the mining law, environmental damage, damage to cultural property and violations of human rights. If the government terminates a mining concession, the government may assert that there is no compensation due to the mining concessionaire and that there are limited or no legal remedies that provide for the suspension of such termination proceedings pending resolution of any disputes. The Ecuadorean government may also dispute ownership of assets following termination or expiration of the mining concession and the exploitation agreement.

The Ecuadorean mining law is relatively new and clear regulatory frameworks applicable to the mining industry have not yet been adopted. As a result, any changes to or developments in the interpretation and the implementation of the mining law regulations, and/or related permitting requirements, may make it difficult or impossible to proceed with the development of the FDN deposit on an economic basis.

Legal uncertainty with respect to the availability of international arbitration under any exploitation agreement or investment agreement with Ecuador with respect to the Fruta del Norte project could adversely affect our interests.

Ecuadorian law purports to limit the availability of international arbitration under certain circumstances. As a result, there can be no assurance that international arbitration will be available to resolve all disputes under any exploitation agreement or investment agreement we may enter into with Ecuador in connection with our FDN project.

If we are unable to agree to satisfactory terms with respect to an exploitation agreement and an investment agreement for Fruta del Norte within certain statutory time periods, Kinross may lose the mining concessions held in Ecuador.

The Ecuadorian mining law currently requires that the mining concessionaire declare a change to the exploitation phase and enter into an exploitation agreement within a period of two years following commencement of the economic evaluation phase, in each case as defined in the mining law. In the case of FDN, the two year period is set to expire on March 29, 2013 and, if Kinross is unsuccessful in reaching agreement with the Ecuadorian government on a satisfactory exploitation agreement and investment agreement within six months following such phase change, it may result in a loss of the mining concessions. The Ecuadorian mining law does allow for an extension of up to two years for the required phase change at the sole discretion of the Ecuadorian government.

Title and access to Kinross' properties may be uncertain and subject to risks.

The validity of mining claims which constitute most of Kinross' property holdings may, in certain cases, be uncertain and is subject to being contested. Kinross' titles, including title to undeveloped properties, may be defective.

Certain of Kinross' United States mineral rights consist of unpatented mining claims. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of the multiple types of unpatented mining claims is often uncertain and is always subject to challenges of third parties or contests by the United States government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of United States federal and state statutory and decisional law. The necessity for, and rights associated with, various types of unpatented mining claims is also subject to uncertainties, as illustrated by the claims made by plaintiffs in Earthworks, et al vs. U.S. Department of the Interior, which is pending in the United States District Court for the District of Columbia, and in which Kinross has intervened. The General Mining Law of the United States includes provisions for obtaining a patent, which is essentially equivalent to fee title, for an unpatented mining claim upon compliance with certain statutory requirements (including the discovery of a valuable mineral deposit). However, a Congressional moratorium against the filing of new applications for a mineral patent is currently in effect and is expected to remain in effect.

Certain of Kinross' mining properties are subject to various royalty and land payment agreements. Failure by Kinross to meet its payment obligations under these agreements could result in the loss of related property interests.

Certain of Kinross' properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of community stakeholders may also impact on the Company's ability to develop or operate its mining properties. In certain circumstances, consultation with such stakeholders may be required and the outcome may affect the Company's ability to develop or operate its mining properties. While Kinross strives to develop excellent relationships with local stakeholders, there can be no assurance that such relations will remain amicable. If a dispute were to arise, it might result in reduced access to properties or a delay in operations.

For example, in Brazil, there is legislation requiring the government to grant title to the Quilombola people who either still occupy their traditional lands or who are found, through a process administered by the Instituto Nacional de Colonizacao e Reforma Agraria (INCRA), to have rights to certain lands. There are five Quilombola communities which have been registered and certified in the Paracatu area. An INCRA report issued on March 6, 2009 indicated that the Machadinho Quilombola community has rights to 2,217.52 hectares of land in the area, a portion of which (900 hectares) would be affected by the operation of the new Eustaquio tailings facility at Paracatu.

As a result, the Company is in the process of negotiating an agreement with the Machadinho Quilombola Association (AQUIMA) to compensate the affected community for the tailings facility construction in the lands that once were occupied by their ancestors. The Company expects that the negotiations will be successful and that it will fully compensate the Quilombola community, but there remains a risk that such agreement is not concluded on a timely basis which may adversely impact on the Company's plan to complete the construction of and operate a new tailings facility in the desired location under its current timetable. The Company previously obtained an installation permit to construct the

new tailings facility, and in November 2011, after an injunction by the Federal Public Attorney ("FPA") was unsuccessful, Kinross was granted an operating permit for the Eustaquio tailings facility. However, the lawsuit is pending and, if successful, it is possible that the license to operate could be revoked or suspended in the future.

In addition, Kinross has three pending lawsuits related to the seven easement applications (relating to surface rights) filed in 2009 for the Eustaquio tailings facility. If any of these lawsuits are successful, a third party could denounce the operating permit, which contains a condition that Kinross must have possession of all lands. If Kinross were found to not currently have possession of all of lands, there is a risk that the Eustaquio operating permit might be cancelled or rendered ineffective.

Numerous other companies compete in the mining industry, some of which may have greater resources and technical capacity than Kinross and, as a result, Kinross may be unable to effectively compete, which could have a material adverse effect on Kinross' future operations.

The mineral exploration and mining business is competitive in all of its phases. Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Kinross, in the search for and the acquisition of attractive mineral properties. The ability of Kinross to operate successfully in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. Kinross may be unable to compete successfully with its competitors in acquiring such properties or prospects on terms it considers acceptable, if at all.

Internal controls provide no absolute assurances as to reliability of financial reporting and statement preparation, and ongoing evaluation may identify areas in need of improvement.

Kinross has invested resources to document and assess its system of internal controls over financial reporting and it is continuing its evaluation of such internal controls. Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Kinross is required to satisfy the requirement of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), which requires an annual assessment by management of the effectiveness of Kinross' internal control over financial reporting and an attestation report by Kinross' independent auditors addressing the effectiveness of Kinross' internal control over financial reporting.

If Kinross fails to maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented, or amended from time to time, Kinross may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Kinross' failure to satisfy the requirement of Section 404 of the Sarbanes-Oxley Act on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Kinross' business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Kinross' operating results or cause it to fail to meet its reporting obligations.

Although Kinross intends to devote substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, Kinross cannot be certain that it will be successful in complying with Section 404 of the Sarbanes-Oxley Act.

To operate successfully, Kinross is reliant on finding and retaining qualified personnel, including key executives.

In order to operate successfully, Kinross must find and retain qualified employees. Kinross and other companies in the mining industry compete for personnel and Kinross is not always able to fill positions in a timely manner. In addition, due to the numerous development projects currently underway in multiple countries, the risk of failing to attract and retain appropriate numbers of qualified personnel is elevated. One factor that has contributed to an increased turnover rate is the ageing workforce and it is expected that this factor will further increase the turnover rate in upcoming years. If Kinross is unable to attract and retain qualified personnel or fails to establish adequate succession planning strategies, Kinross' operations could be adversely affected.

In addition, Kinross has a relatively small executive management team and in the event that the services of a number of these executives were no longer available, Kinross and its business could be adversely affected. Kinross does not carry key-man life insurance with respect to its executives.

Kinross may require additional capital that may not be available.

The mining, processing, development, and exploration of Kinross' properties may require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of Kinross' properties, or even a loss of property interest. Additional capital or other types of financing may not be available if needed or, if available, the terms of such financing may be unfavourable to Kinross.

In particular, the availability of debt financing on economically feasible terms will be essential to the continuing development of our various new and expansion projects, and any lack of such availability may adversely affect our ability to complete those projects or the long-term economic viability of such projects.

Kinross' level of indebtedness and an inability to satisfy repayment obligations could have a significant impact on its operations and financial performance.

Although Kinross has been successful in repaying debt in the past, there can be no assurance that it can continue to do so. Kinross' level of indebtedness could have important consequences for its operations and the value of its common shares including: (a) limiting Kinross' ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of Kinross' growth strategy or other purposes; (b) limiting Kinross' ability to use operating cash flow in other areas because of its obligations to service debt; (c) increasing Kinross' vulnerability to general adverse economic and industry conditions, including increases in interest rates, particularly given that a substantial portion of Kinross' indebtedness bears interest at variable rates; (d) limiting Kinross' ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation; and (e) limiting Kinross' ability or increasing the costs to refinance indebtedness.

Kinross expects to obtain the funds to pay its expenses and to pay principal and interest on its debt by utilizing cash flow from operations. Kinross' ability to meet these payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors. Kinross will not be able to control many of these factors, such as economic conditions in the markets in which it operates. Kinross cannot be certain that its future cash flow from operations will be sufficient to allow it to pay principal and interest on Kinross' debt and meet its other obligations. If cash flow from operations is insufficient or if there is a contravention of its debt covenants, Kinross may be required to refinance all or part of its existing debt, sell assets, borrow more money or issue additional equity. There can be no assurance that Kinross will be able to refinance all or part of its existing debt on terms that are commercially reasonable.

The operations of Kinross in various countries are subject to currency risk.

Currency fluctuations may affect the revenues which Kinross will realize from its operations since gold is sold in the world market in United States dollars. The costs of Kinross are incurred principally in Canadian dollars, United States dollars, Chilean pesos, Brazilian reais, Ghanaian cedis, Mauritanian ouguiyas and Russian roubles. The appreciation of non-U.S. dollar currencies against the U.S. dollar increases the cost of gold production in U.S. dollar terms. From time to time, Kinross transacts currency hedging to reduce the risk associated with currency fluctuations. Currency hedging involves risks and may require margin activities. Sudden fluctuations in currencies could result in margin calls that could have an adverse effect on Kinross' financial position. While the Chilean peso, Brazilian real, Ghanaian cedi, Mauritanian ouguiya and Russian rouble are currently convertible into Canadian and United States dollars, they may not always be convertible in the future.

While Kinross has a "no gold hedging" policy, the Company may from time to time acquire gold and/or silver hedge (or derivative product) obligations through acquisitions and/or employ hedge/derivative products in respect of other commodities, interest rates and/or currencies.

While Kinross has a "no gold hedging" policy, the Company has from time to time through acquisition acquired gold and/or silver hedge (or derivative product) obligations and may do so in the future. Kinross has also from time to time employed hedge/derivative products in respect of other commodities, interest rates and/or currencies, and may do so in the future. Hedge (or derivative) products are used to manage the risks associated with gold or silver price volatility, changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. Where Kinross holds such derivative positions, the Company will deliver into such arrangements in the prescribed manner. The use of derivative instruments involves certain inherent risks including: (a) *credit risk* - the risk of default on amounts owing to Kinross by the counterparties with which Kinross has entered into such transactions; (b) *market liquidity risk* — the risk that Kinross has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (c) *unrealized mark-to-market risk* — the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in Kinross incurring an unrealized mark-to-market loss in respect of such derivative products.

In the case of a gold or silver forward sales program, if the metal price rises above the price at which future production has been committed under a forward sales hedge program, Kinross may have an opportunity loss. However, if the metal price falls below that committed price, revenues will be protected to the extent of such committed production. There can be no assurance that Kinross will be able to achieve future realized prices for gold that exceed the spot price as a result of any forward sales hedge program.

The business of Kinross is dependent on good labour and employment relations.

Production at Kinross' mines is dependent upon the efforts of, and maintaining good relationships with, employees of Kinross. Relations between Kinross and its employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions Kinross carries on business. Adverse changes in such legislation or in the relationship between Kinross and its employees may have a material adverse effect on Kinross' business, results of operations, and financial condition.

The results of Kinross' operations could be adversely affected by its acquisition strategy and Kinross may not realize the anticipated benefits of recent acquisitions.

As part of Kinross' business strategy, it has sought, and may continue to seek, to acquire new mining and development opportunities in the mining industry. Any acquisition that Kinross may choose to complete which may be of a significant size, may change the scale of Kinross' business and operations, and may expose Kinross to new geographical, political, operational, financial and geological risks. Kinross' success depends on its ability to identify appropriate acquisition candidates, negotiate acceptable arrangements, including arrangements to finance acquisitions, and to integrate the acquired businesses and their personnel. Kinross may be unable to complete any acquisition or business arrangement that it pursues on favourable terms. Any acquisitions or business arrangements completed may not ultimately benefit Kinross' business and could impair its results of operations, profitability and financial results. Acquisitions and business arrangements are accompanied by risks including, without limitation: a significant change in commodity prices after Kinross has committed to complete the transaction and established the purchase price or exchange ratio; an acquired material orebody may prove to be below expectations; Kinross may have difficulty integrating and assimilating the operations, technologies and personnel of any acquired companies, including the recently acquired Underworld

and Red Back (see “General Development of the Business — Three Year History”), realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization to support the expansion of Kinross’ operations resulting from these acquisitions; the integration of the acquired business or assets may divert management’s attention and disrupt Kinross’ ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. Should these or other risks develop, we may suffer significant financial losses or be required to write-down the value of the assets we acquired. For example, for 2011, we recorded an impairment charge of $2.9 billion against goodwill at our Tasiast and Chirano projects, which we acquired in 2010. There can be no assurance that additional write-downs against these or other assets will not occur in future periods.

In addition, in the event that Kinross chooses to raise debt capital to finance any such acquisition, Kinross’ leverage will be increased. If Kinross chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, Kinross may choose to finance any such acquisition with its existing resources. There can be no assurance that Kinross would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Kinross may be adversely affected by global financial conditions.

Recent global financial conditions have continued to be characterized by increased volatility due to concerns in respect of the European countries debt levels, activities in the Middle East and the continued uncertainty with respect to an economic recovery in the United States. The fallout from this has resulted in the following conditions, which may have an impact on the operations and cash flows of the Company:

- Volatility in commodity prices and foreign exchange rates;
- Tightening of credit markets, although better than during the 2008 - 2009 crisis;
- Increased counterparty risk; and
- Volatility in the prices of publicly traded entities.

Although the tightening of credit markets has restricted the ability of certain companies to access capital, to date this has not had an impact on the Company’s liquidity. In 2011, the Company raised approximately $1,200 million through the issuance of $1,000 million in public bonds and the closing of a $200 million loan facility at Kupol. The Company also re-negotiated its credit facility in 2011 increasing it to $1,200 million with total undrawn availability of $1,144.5 million at December 31, 2011. However, continued tightening of credit markets may impact the ability of the Company to obtain additional debt financing, or to refinance existing debt at maturity, in the future on terms favourable to the Company.

Continued volatility in equity markets may have an impact on the value of publicly listed companies in Kinross’ equity portfolio. Should equity values decline and are deemed to be long term in nature, impairment losses may result.

Kinross is subject to certain legal proceedings and may be subject to additional litigation in the future.

Legal proceedings may be brought against Kinross, for example, litigation based on its business activities, environmental laws, volatility in its stock price or failure to comply with its disclosure obligations, which could have a material adverse effect on Kinross’ financial condition or prospects.

In the event of a dispute arising at Kinross’ foreign operations, Kinross may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Kinross’ inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Kinross and certain of its executives have been named as defendants in two putative securities class action suits recently filed in Canadian and U.S. courts. See “Legal Proceedings And Regulatory Actions—Legal Proceedings”.

Kinross may not be able to control the decisions and strategy of joint ventures to which it is a party.

Some of the mines and projects in which Kinross owns interests are operated through joint ventures with other mining companies and are subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on Kinross’ profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on Kinross’ results of operations and financial condition: (a) inability to exert influence over certain strategic decisions made in respect of joint venture properties; (b) disagreement with partners on how to develop and operate mines efficiently; (c) inability of partners to meet their obligations to the joint venture or third parties; and (d) litigation between partners regarding joint venture matters.

Kinross may be negatively affected by market price volatility

The Kinross common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange (“NYSE”). The price of the Kinross common shares is likely to be significantly affected by short-term changes in the gold price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of Kinross that may have an effect on the price of the Kinross common shares include the following: a reduction in analytical coverage of Kinross by investment banks with research capabilities; a drop in trading volume and general market interest in the securities of Kinross may adversely affect an investor’s ability to liquidate an investment and consequently an investor’s interest in acquiring a significant stake in Kinross; a failure of Kinross to meet the reporting and other obligations under Canadian and U.S. securities laws or imposed by the exchanges could result in a delisting of the Kinross common shares; and a substantial decline in the price of the Kinross common shares that persists for a significant period of time could cause the Kinross

common shares to be delisted from the NYSE further reducing market liquidity.

As a result of any of these factors, the market price of its common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation has been brought against companies following periods of volatility or significant decline in the market price of their securities. Kinross has recently been named as defendant in two putative class action suits in Canada and the United States and may in the future be the

target of additional similar litigation. See "Legal Proceedings And Regulatory Actions—Legal Proceedings". Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Kinross may not be able to support the carrying value of goodwill.

Kinross evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value less costs to sell of Kinross' cash generating units ("CGUs") to their carrying values. The fair values of its CGUs are based, in part, on certain factors that may be partially or totally outside of Kinross' control. Kinross' fair value estimates are based on numerous assumptions and it is possible that actual fair value could be significantly different than those estimates. In connection with Kinross' 2011 evaluation, Kinross has recorded a goodwill impairment charge of $2,937.6 million, which relates to goodwill at Tasiast and Chirano. Tasiast represents $2,490.1 million or 85% of this goodwill impairment charge. In the absence of any mitigating valuation factors, Kinross' failure to achieve its valuation assumptions or declines in the fair values of its CGUs may over time result in further impairment charges.

DIVIDEND POLICY

In 2011, Kinross paid a total cash dividend of $0.11 per share on its common shares - $0.05 in March and $0.06 in September. On February 15, 2012, Kinross' board of directors declared a dividend of $0.08 per common share, payable on March 31, 2012 and announced that it was increasing its semi-annual dividend to that level. Prior to 2008, Kinross had not paid any dividends on its common shares. While the present intention is to pay a dividend semi-annually, Kinross is under no obligation to declare or pay any further dividends on its common shares. Payment of any future dividends will be at the discretion of Kinross' Board of Directors, after taking into account many factors, including Kinross' operating results, financial condition, and current and anticipated cash requirements. Further, pursuant to Kinross' syndicated credit facility, Kinross may be required to obtained consent from the lenders prior to declaring any common share dividend.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

A putative securities class action complaint was filed on February 16, 2012 (the "Complaint"), entitled Bo Young Cha v. Kinross Gold Corporation et al., in the United States District Court for the Southern District of New York (the "Court"). The Complaint named as defendants the Company, Tye Burt, President and CEO, Paul Barry, Chief Financial Officer, Glen Masterman, Senior Vice President, Exploration and Kenneth Thomas, former Senior Vice President, Projects. The Complaint alleges, among other things, that Kinross inflated its share price by knowingly or recklessly making material misrepresentations concerning the Tasiast mine and deposit and that Kinross and the individual defendants knew that such misrepresentations were false or misleading when made. Kinross intends to vigorously defend against the Complaint and believes it is without merit.

A notice of action in a proposed class proceeding under Ontario's Class Proceedings Act, 1992, was filed in the Ontario Superior Court of Justice (the "Ontario Court") on March 12, 2012, entitled Trustees of the Musicians' Pension Fund of Canada v. Kinross Gold Corporation et al. (the "Ontario Action"). The Ontario Action named as defendants the Company, Tye Burt, President and CEO, Paul Barry, Chief Financial Officer, Glen Masterman, Senior Vice President, Exploration, and Kenneth Thomas, former Senior Vice President, Projects. The Ontario Action alleges, among other things, that Kinross made a number of misrepresentations relating to the quantity and quality of gold ore at the Tasiast mine and the costs of operating the mine, and that Kinross and the individual defendants knew that such misrepresentations were false or misleading when made. The plaintiff is seeking certification of the action as a class proceeding and leave to proceed under the statutory civil liability provisions of Ontario's Securities Act. The plaintiff is also seeking various relief, including damages in the amount of CDN$4 billion and costs of the action. Kinross intends to vigorously defend against the Ontario Action and believes it is without merit.

Taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays taxes under the various regimes in countries in which it operates. These tax regimes are determined under tax laws of the country. The Company has historically filed, and continues to file, all required tax returns and filings and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company will undergo a review of its historic tax returns and in connection with such reviews, disputes can arise with the taxing authorities over the Company's interpretation of the country's tax rules.

Regulatory Investigations

In 2011, the Company was not involved in any new or ongoing material regulatory investigations.

DESCRIPTION OF CAPITAL STRUCTURE

KINROSS COMMON SHARES

Kinross has an unlimited number of common shares authorized and 1,138,736,390 common shares issued and outstanding as of March 26, 2012. There are no limitations contained in the articles or bylaws of Kinross on the ability of a person who is not a Canadian resident to hold Kinross common shares or exercise the voting rights associated with Kinross common shares. A summary of the rights of the Kinross common shares is set forth below.

Dividends

Holders of Kinross common shares are entitled to receive dividends when, as and if declared by the board of directors of Kinross out of funds legally available therefor, provided that if any Kinross preferred shares are at the time outstanding, the payment of dividends on common shares or other distributions (including repurchases of common shares by Kinross) will be subject to the declaration and payment of all cumulative dividends on outstanding Kinross preferred shares and any other preferred shares which are then outstanding. The *Business Corporations Act* (Ontario) provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would after the payment of the dividend, be unable to pay its liabilities as they fall due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

Liquidation

In the event of the dissolution, liquidation, or winding up of Kinross, holders of Kinross common shares are entitled to share rateably in any assets remaining after the satisfaction in full of the prior rights of creditors,

including holders of Kinross' indebtedness, and the payment of the aggregate liquidation preference of the Kinross preferred shares, and any other preferred shares then outstanding.

Voting

Holders of Kinross common shares are entitled to one vote for each share on all matters voted on by shareholders, including the election of directors.

MARKET PRICE FOR KINROSS SECURITIES

In Canada, the Kinross common shares trade on the TSX under the symbol "K." In the United States, the Kinross common shares trade on the NYSE under the symbol "KGC." The Kinross common shares began trading on the NYSE on February 3, 2003. The following table sets forth, for the periods indicated, the high and low sales prices of the Kinross common shares on the TSX and the NYSE and the trading volume.

	Kinross Common Shares on the TSX			Kinross Common Shares on the NYSE		
	High (CDN Dollars)	Low (CDN Dollars)	Trading Volume (in millions of shares)	High (US Dollars)	Low (US Dollars)	Trading Volume (in millions of shares)
Fiscal Year Ending December 31, 2011						
January	18.70	15.98	157.3	19.26	16.00	139.6
February	17.19	15.20	172.3	17.43	15.44	132.2
March	16.37	14.10	214.4	16.80	14.27	192.4
April	16.01	14.10	179.6	16.74	14.94	146.2
May	15.92	13.53	177.0	16.30	13.84	181.4
June	15.74	14.52	157.4	16.10	14.77	163.3
July	17.00	14.99	149.2	17.82	15.42	148.3
August	17.49	14.99	210.7	17.74	15.07	257.0
September	18.17	14.78	178.5	18.25	14.21	204.5
October	15.84	13.42	133.1	15.08	12.80	159.7
November	15.24	12.58	167.2	15.04	12.08	142.9
December	14.48	11.08	123.3	14.26	10.80	142.6

	Kinross Common Shares on the TSX			Kinross Common Shares on the NYSE		
	High (CDN Dollars)	Low (CDN Dollars)	Trading Volume (in millions of shares)	High (US Dollars)	Low (US Dollars)	Trading Volume (in millions of shares)
Fiscal Year Ending December 31, 2010						
January	21.80	17.23	91.7	21.12	16.15	123.0
February	20.29	17.26	95.4	19.46	16.13	141.7
March	19.90	17.18	96.6	19.36	16.75	120.4
April	19.68	17.45	95.8	19.47	17.25	108.4
May	19.89	17.40	121.7	19.54	16.26	158.8
June	19.32	17.55	82.8	18.89	16.68	106.9
July	17.74	16.08	98.5	17.01	15.23	99.3
August	18.07	15.34	290.7	16.93	14.84	163.0
September	19.95	16.99	367.8	19.48	16.43	193.9
October	19.98	17.42	197.9	19.90	16.85	143.0
November	19.77	17.64	140.0	19.80	17.26	126.4

December	19.67	17.71	135.4	19.59	17.35	133.0

As of March 26, 2012 there were 7,941 registered holders of Kinross common shares.

DIRECTORS AND OFFICERS

DIRECTORS

Set forth below is information regarding the directors of Kinross as of March 29, 2012.

Name and Place of Residence	Principal Occupation	Director Since	Current Committees(1)
John A. Brough Toronto, Ontario Canada	Corporate Director	January 19, 1994	A, H, S
Tye W. Burt Toronto, Ontario Canada	President and Chief Executive Officer of Kinross	March 23, 2005	None
John K. Carrington Thornhill, Ontario Canada	Corporate Director	October 26, 2005	CG, CR, S
John M. H. Huxley Toronto, Ontario Canada	Corporate Director	May 31, 1993	A, H, CG
Kenneth C. Irving Toronto, Ontario Canada	Corporate Director	August 10, 2011	CG, CR
John A. Keyes The Woodlands, Texas United States	Corporate Director	March 3, 2003	CG, CR
Catherine McLeod-Seltzer Vancouver, British Columbia Canada	Chairman and Director, Pacific Rim Mining Corp.	October 26, 2005	H, CR
George F. Michals Vero Beach, Florida United States	Corporate Director	January 31, 2003	CG, H, S
John E. Oliver Halifax, Nova Scotia Canada	Corporate Director	March 7, 1995	H, S
Terence C.W. Reid Toronto, Ontario Canada	Corporate Director	January 5, 2005	A, CR

(1) Committees: A-Audit and Risk, CG-Corporate Governance, CR-Corporate Responsibility, H-Human Resources, Compensation and Nominating, S-Special Committee.

Each of the directors has held the principal occupation set forth opposite his or her name, or other executive offices with the same firm or its affiliates, for the past five years.

Below is a biography of each of the directors of Kinross:

John A. Brough

Mr. Brough retired as President of both Torwest Inc. and Wittington Properties Limited, real estate companies on December 31, 2007, a position he had held since 1998. From 1996 to 1998, Mr. Brough was the Executive Vice President and Chief Financial Officer of iSTAR Internet, Inc. Between 1974 and 1996, he held a number of positions with Markborough Properties, Inc., his final position being Senior Vice

President and Chief Financial Officer, which position he held from 1986 to 1996. Mr. Brough is an executive with over 30 years of experience in the real estate industry. Mr. Brough holds a Bachelor of Arts (Economics) from the University of Toronto and he is a Chartered Accountant. Mr. Brough has graduated from the Director's Education Program at the University of Toronto, Rotman School of Management. Mr. Brough is a member of the Institute of Corporate Directors and the Institute of Chartered Accountants of Ontario.

Tye W. Burt

Mr. Burt was appointed President and Chief Executive Officer of Kinross in March 2005. Prior to that, Mr. Burt held the position of Vice Chairman and Executive Director of Corporate Development of Barrick. From December 2002 to February 2004, he was Executive Director of Corporate Development and a director of Barrick. From May 2002 to December 2002, he was consulting on a full time basis to Barrick. From 2000 to May 2002, he was President of Cartesian Capital Corp. Prior to 2000, Mr. Burt was Chairman of Deutsche Bank Canada and Managing Director of the Global Mining and Metals Group of Deutsche Bank AG. Mr. Burt was a director and Vice Chairman of the audit committee of the Ontario Financing Authority. Mr. Burt is Vice-Chair of the Board of Governors of the University of Guelph and a member of the Board of Governors of the Duke of Edinburgh's Award Charter for Business. Mr. Burt sits as Kinross's representative on Russia's Foreign Investment Advisory Council. Mr. Burt is a member of the Law Society of Upper Canada. He holds a Bachelor of Laws from Osgoode Hall Law School and holds a Bachelor of Arts from the University of Guelph.

John K. Carrington

Mr. Carrington was the Vice-Chairman and a director of Barrick from 1999 through 2004. Prior to that, Mr. Carrington was the Chief Operating Officer of Barrick from 1996 until February 2004. He has also occupied the functions of President and Executive Vice President, Operations of Barrick in 1997 and 1995 respectively. Prior to that, Mr. Carrington occupied officerships in other mining companies, including Noranda Minerals Inc., Brunswick Mining & Smelting Inc. and Minnova Inc. Mr. Carrington holds a Bachelor of Applied Science (Mining Engineering) and a Masters of Engineering (Mining). He is a member of the Association of Professional Engineers of Ontario.

John M. H. Huxley

Mr. Huxley was most recently a Principal of Algonquin Management Inc., the manager of the Algonquin Power Income Fund, since 1997 until his retirement in 2006. Prior to that, he was the President of Algonquin Power Corporation, a builder, developer and operator of hydroelectric generating facilities in Canada and the United States. He holds a Bachelor of Laws degree from Osgoode Hall Law School. He is also a member of the Institute of Corporate Directors.

Kenneth C. Irving

Mr. Irving was, until July 2010, the CEO of Irving Oil Limited, having led the company's operations and business development initiatives for over 10 years beginning in the late 1990s. From April 1983 he held various front-line and management positions within Irving Oil. He received his Bachelor of Arts (Economics and Social Science) from Bishop's University.

John A. Keyes

Mr. Keyes most recently held the position of President and Chief Operating officer of Battle Mountain Gold Company from 1999 until his retirement in 2001. Prior to that, he served as the Senior Vice President - Operations for Battle Mountain Gold Company with responsibilities for operations in United States, Canada, Bolivia, Chile and Australia. Mr. Keyes received his Bachelor of Science Mine Engineering degree from Michigan Technological University and completed an executive Masters of Business Administration program at the University of Toronto. Mr. Keyes has graduated from the Director's Education Program at the University of Toronto, Rotman School of Management. He is also a member of the Institute of Corporate Directors.

Catherine McLeod-Seltzer

Ms. McLeod-Seltzer is the non-executive/independent Chairman and a director of Pacific Rim Mining Corp. She has been an officer and director of Pacific Rim Mining Corp. since 1997. From 1994 to 1996, she was the President, Chief Executive Officer and a director of Arequipa Resources Ltd., a publicly traded company which she co-founded in 1992. From 1985 to 1993, she was employed by Yorkton Securities Inc. as an institutional trader and broker, and also as Operations Manager in Santiago, Chile (1991-92). She has a Bachelor's degree in Business Administration from Trinity Western University.

George F. Michals

Mr. Michals retired as President of Baymont Capital Resources Inc., an investment holding company, in 2007. Mr. Michals has also served as an active member on the boards of a number of private and public companies. Prior to January 2003, Mr. Michals was the Chairman of the board of TVX Gold Inc. and from 1987 to 1990, he held the position of Executive Vice President and Chief Financial Officer of Canadian Pacific Limited. He holds a Bachelor of Commerce degree from Concordia University and is a Chartered Accountant.

John E. Oliver

Mr. Oliver was most recently Senior Vice President, Atlantic Region, of Bank of Nova Scotia from March 2004 until his retirement in August, 2008. Mr. Oliver was the Executive Managing Director and Co-Head of Scotia Capital U.S., Bank of Nova Scotia from October 1999 to March 2004. From 1997 to 1999 he was the Senior Vice President, Corporate and Real Estate Banking of Bank of Nova Scotia. Mr. Oliver is Chair of the Canadian Museum of Immigration, a Federal Crown Corporation and Vice Chair, Autism Nova Scotia. He was appointed the Independent Chairman of the Company in August 2002.

Terence C.W. Reid

Mr. Reid retired as Vice-Chairman of CIBC Wood Gundy in 1997 after a career there spanning 31 years during which he provided investment banking services to many of Canada's leading corporations. He subsequently acted as a consultant in the electricity industry and helped develop an internet start-up business. Between 2001 and 2003 he was president of Laketon Investment Management, a leading Canadian investment asset manager. Mr. Reid has served on a number of investment industry committees and was the Chairman of the Montreal Stock Exchange. Mr. Reid holds a Diploma in Law from the University of Witwatersrand, Johannesburg and a Masters in Business Administration from the University of Toronto. Mr. Reid is a graduate of the Director Education Program of the Institute of Corporate Directors.

CORPORATE GOVERNANCE

The corporate governance practices established by Kinross' board of directors are described in Kinross' latest management information circular for its annual meeting of shareholders available at www.sedar.com. Details of Kinross' corporate governance practices compared to the corporate governance listing standards of the New York Stock Exchange are available for review on Kinross' website at www.kinross.com under the corporate governance section of the website.

OFFICERS

The following table sets forth the names of each of the executive and certain other officers of Kinross and all offices held by each of them as of March 29, 2012.

Name	Office Held
RICK A. BAKER Sparks, Nevada, United States	Senior Vice President, Environment and Project Permitting
PAUL H. BARRY Toronto, Ontario, Canada	Executive Vice President and Chief Financial Officer
TYE W. BURT Toronto, Ontario, Canada	President and Chief Executive Officer
LISA J. COLNETT Toronto, Ontario, Canada	Senior Vice President, Human Resources and Corporate Services
JAMES CROSSLAND Toronto, Ontario, Canada	Executive Vice President, External Relations & Corporate Responsibility
GREG ETTER San Antonio, Texas, United States	Senior Vice-President, General Counsel and Government Relations, Americas
FRANK DE COSTANZO Toronto, Ontario, Canada	Vice President and Treasurer
GEOFFREY P. GOLD Toronto, Ontario, Canada	Executive Vice President and Chief Legal Officer
BRANT E. HINZE Toronto, Ontario, Canada	Executive Vice President and Chief Operating Officer
JOHN E. OLIVER Halifax, Nova Scotia, Canada	Independent Chairman
SHELLEY M. RILEY Toronto, Ontario, Canada	Vice President, Administration and Corporate Secretary
J. PAUL ROLLINSON Toronto, Ontario, Canada	Executive Vice President, Corporate Development

The following sets forth biographical information for each of the above officers of Kinross who is not also a director of Kinross:

Rick A. Baker was appointed Senior Vice President, Environmental, Health & Safety on March 1, 2005 and assumed the newly created role of Senior Vice President, Environment and Project Permitting in September 2009. Prior to that Mr. Baker held the positions of Vice President, Operations from October 2003 to February 2005 and Vice President and General Manager, Reclamation Operations from March to September 2003 of Kinross Gold U.S.A., Inc., a wholly-owned subsidiary of Kinross. Prior to that, he held the positions of General Manager, from August 2001 to February 2002 and Operations Manager from April 2000 to July 2001, respectively, with Fairbanks Gold Mining, Inc. a wholly-owned subsidiary of Kinross. From July 1997 to March 2000, Mr. Baker was General Manager, McCoy/Cove Operation, Echo Bay Minerals Company.

Paul H. Barry was appointed Executive Vice President and Chief Financial Officer effective March 31, 2011. He joins Kinross following a career in the United States, where from 2009 to 2011, he was an independent consultant in Washington, D.C. and, among other projects, advised the First Deputy Mayor for the City of Los Angeles on critical strategic and financial initiatives. From 2007 to 2009, Paul was Senior Vice-President and Chief Financial Officer of Pepco Holdings, Inc., and from 2002 to 2007 he held several positions at Duke Energy Corporation, including Senior Vice-President and Chief Development Officer. Mr. Barry holds a Bachelor of Science degree in finance from Northeastern University, and a Master of Business Administration degree from Harvard University.

Lisa J. Colnett was appointed Senior Vice President, Human Resources and Corporate Services effective November 2008. She joined Kinross from Celestica Inc., where she most recently held the position of Senior Vice President, Human Resources. As one of Celestica's founding executives, she held of a number of senior roles within the organization, including President, Memory Division and Chief Information Officer. Prior to joining Celestica, Lisa spent 13 years in manufacturing and operations at IBM Canada. Ms. Colnett holds an Honours B.A. in Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

James Crossland joined Kinross in June 2007 as Senior Vice President, Government Relations and Corporate Affairs and was appointed Executive Vice President, External Relations and Corporate Responsibility in September, 2009. From October 2003 to May 2007, he was Executive Vice President of Cossette Communication Group Inc. Prior to that, from 2000 to 2002, he served as Executive Vice President and, subsequently, President, of National Public Relations.

Frank C. De Costanzo was appointed Vice President and Treasurer in September 2010. Prior to his current role, Mr. De Costanzo was the Finance Director International for Pitney Bowes Business Insight from October 2007 to August 2010, in London UK. From 1998 to 2007, Mr. De Costanzo worked at Pitney Bowes Inc. as Assistant Treasurer and then Director Internal Audit. Prior to Pitney Bowes, Mr. De Costanzo spent fourteen years in commercial banking treasury, including working at the Dai-Ichi Kangyo Bank Ltd. (now Mizuho Bank) and The Union Bank of Switzerland. Mr. De Costanzo has a Bachelor of Science degree in finance from Providence College and a Masters of Business Administration degree from the University of Connecticut.

Geoffrey P. Gold was appointed Executive Vice President and Chief Legal Officer on February 21, 2008. Prior to that, he had been Senior Vice President and Chief Legal Officer since May 2006. Prior to that, he was Vice President, Assistant Secretary and Associate General Counsel for Placer Dome Inc. from 2001 until 2006; Assistant Secretary and Associate General Counsel for Placer Dome Inc. from 1999 to 2001; General Counsel and Secretary for Placer Dome North America from 1998 to 1999; and held other legal positions with Placer Dome from 1994 to 1998. Mr. Gold holds a Bachelor of Commerce (Honours) and a Bachelor of Laws from the University of British Columbia.

Brant E. Hinze was appointed Executive Vice-President and Chief Operating Officer in October 2010. Prior to that Mr. Hinze was most recently Senior Vice-President, North American Operations, for Newmont Mining Corporation. From 2002 to 2005, Mr. Hinze was General Manager of Newmont's Yanacocha Project in Peru. Prior to Yanacocha, he managed other operations for the company in the United States, Bolivia and Indonesia. From 1985 to 1991, Mr. Hinze held technical and managerial positions at the McCoy-Cove and Lupin operations of Echo Bay Minerals, which Kinross acquired in 2003. Mr. Hinze has a Mining Engineering degree from the University of Idaho.

Shelley M. Riley has been the Corporate Secretary of Kinross since June 1993 and was appointed Vice President, Administration and Corporate Secretary in September 2005.

J. Paul Rollinson was appointed Executive Vice President, Corporate Development, in September 2009. Paul joined Kinross as Executive Vice President, New Investments in September 2008 after a long career in investment banking, most recently as the Deputy Head of Investment Banking at Scotia Capital. During his time with Scotia, he was responsible for the mining, power/utilities, forestry and industrial sectors. He also served as Managing Director / Head of Americas for the mining group within Deutsche Bank AG, and, before that, was a senior member of the mining team at BMO Nesbitt Burns. Paul has an Honours BSc in Geology from Laurentian University and an MEng in Mining from McGill University.

As at March 26, 2012, the directors and executive officers of Kinross, as a group owned, directly or indirectly, or exercised control or direction over 1,260,814 common shares of Kinross, representing less than one percent of the total number of common shares outstanding before giving effect to the exercise of options or other convertible securities held by such directors and officers. The statement as to the number of common shares beneficially owned directly or indirectly or over which control or direction is exercised by the directors and officers of Kinross as a group is based upon information provided by the directors and officers.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of Kinross or a shareholder holding a sufficient number of securities to affect materially the control of Kinross is, or within the ten years prior to the date hereof has been, a director or executive officer of any company (including Kinross) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as follows:

On April 14, 2005, the Ontario Securities Commission issued a definitive management cease trade order which superseded a temporary management cease trade order dated April 1, 2005 against all the directors and officers of the Company in connection with the Company's failure to file its audited financial statements for the year ended December 31, 2004. The missed filings resulted from questions raised by the SEC

about certain accounting practices related to the accounting for goodwill. The following current officers and directors of Kinross were the subject of the Ontario Securities Commission's order: J. Brough, J. Huxley, J. Keyes, G. Michals, T. Reid, J. Oliver, R. Baker, S. Riley and T. Burt. A similar order was issued by the Nova Scotia Securities Commission against Mr. John Oliver dated July 6, 2005. These management cease trade orders were lifted on February 22, 2006 when the Company completed the necessary filings following the SEC's acceptance of Kinross' accounting treatment for goodwill.

No director or executive officer of Kinross or a shareholder holding a sufficient number of securities of Kinross to affect materially the control of Kinross has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

CONFLICT OF INTEREST

To the best of Kinross' knowledge, and other than as disclosed in this Annual Information Form, in the notes to Kinross' financial statements and its MD&A, there are no known existing or potential conflicts of interest between Kinross and any director or officer of Kinross, except as disclosed below and that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of Kinross and their duties as a director or officer of such other companies.

The directors and officers of Kinross are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and Kinross will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any

breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, the notes to the Company's financial statements and its MD&A, since January 1, 2006, no director, executive officer or 10% shareholder of Kinross or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Kinross' common shares is Computershare Investor Services Inc. at its principal office at 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, telephone 1-800-663-9097.

MATERIAL CONTRACTS

Kinross Material Contracts

The only material contracts entered into by the Company within the financial year ended December 31, 2011 or before such time that are still in effect, other than in the ordinary course of business, are as follows:

The indenture dated August 22, 2011 between Kinross and Wells Fargo Bank, National Association, as trustee, governing the $1 billion offering of debt securities. See "General Development of the Business — Three Year History".

The registration rights agreement between Kinross and a group of purchasers, dated August 22, 2011, relating to the $1 billion offering of debt securities. See "General Development of the Business — Three Year History".

INTERESTS OF EXPERTS

The Company's independent auditors for fiscal 2011, KPMG LLP, have audited the consolidated financial statements of Kinross for the two years ended December 31, 2011. In connection with their audit, KPMG LLP has confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Mr. Robert Henderson is the qualified person who supervised the preparation of the property descriptions, except for the Tasiast property description, and the Company's mineral reserve and mineral resource estimates as at December 31, 2011. Mr. Henderson was an officer of the Company as at December 31, 2011.

Mr. Mark Sedore is the qualified person who supervised the preparation of the Tasiast property description contain herein. Mr. Sedore is an officer of the Company.

Messrs. Wayne Barnett and Marek Nowak are the qualified persons who supervised the preparation of the mineral reserve and mineral resource estimates for the White Gold Property. Messrs. Barnett and Nowak are employed by SRK Consulting.

The experts named in this section beneficially owned, directly or indirectly, less than 1% of any class of shares of the Company's outstanding shares at the time of the preparation of the reserve and resource estimates and the technical reports.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's charter sets out its responsibilities and duties, qualifications for membership and reporting to the Company's board of directors. A copy of the charter is attached hereto as Schedule "A".

As of the date of this Annual Information Form, the members of the Company's Audit and Risk Committee are John Brough (Chairman), John Huxley and Terence Reid. Each of Messrs. Brough, Huxley and Reid are independent and financially literate within the meaning of Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"). In addition to being independent directors as described above, all members of the Company's Audit Committee must meet an additional "independence" test under MI 52-110 in that their directors' fees are the only compensation they, or their firms, receive from the Company and that they are not affiliated with the Company. Mr. Brough is a "financial expert" in accordance with SEC requirements.

Relevant Education and Experience

Set out below is a description of the education and experience of each Audit and Risk Committee member that is relevant to the performance of his responsibilities as an Audit and Risk Committee member.

John A. Brough	Mr. Brough holds a Bachelor of Arts (Economics) degree from the University of Toronto and is a Chartered Accountant. Mr. Brough has graduated from the Director's Education Program at the University of Toronto, Rotman School of Management and is a member of the Institute of Corporate Directors. Mr. Brough had been President of both Torwest Inc. and Wittington Properties Limited, real estate companies from 1998 until his retirement on December 31, 2007. Prior thereto, from 1996 to 1998, Mr. Brough was Executive Vice President and Chief Financial Officer of iSTAR Internet, Inc. Prior thereto, from 1974 to 1996, he held a number of positions with Markborough Properties, Inc., his final position being Senior Vice President and Chief Financial Officer which position he held from 1986 to 1996. Mr. Brough is an executive with over 30 years of experience in the real estate industry. He is currently lead director and Chairman of the Audit Committee of Silver Wheaton Corp., a director of Livingston International Income Fund, a director and Chairman of the Audit Committee of First National Financial Income Fund and a director and Chairman of the Audit Committee of CREIT.

John M.H. Huxley	Mr. Huxley has a Bachelor of Laws degree, and was most recently a principal of Algonquin Management Inc., the manager of Algonquin Power Income Fund, from 1997 to 2006. Prior to that Mr. Huxley was President of Algonquin Power Corporation.
Terence C.W. Reid	Mr. Reid holds a diploma in law from the University of Witwatersrand, Johannesburg and a Masters in Business Administration from the University of Toronto. Mr. Reid retired as Vice Chairman of CIBC Wood Gundy in 1997 after a career there spanning 31 years during which he provided investment banking services to many of Canada's leading corporations. Between 2001 and 2003 he was president of Laketon Investment Management, a leading Canadian investment asset manager. Mr. Reid has served on a number of investment industry committees and was Chairman of the Montreal Stock Exchange. Mr. Reid is a director of Norcast Income Fund and Pizza Pizza Property Fund.

Pre-Approval Policies and Procedures

The Audit and Risk Committee has formalized its approach to non-audit services by the external auditors in its charter, a copy of which is attached hereto as Schedule "A".

External Auditor Service Fees

Audit Fees

The audit fees billed by the Company's external auditors for the financial year ended December 31, 2011 were Cdn$3,259,000 (December 31, 2010 — Cdn$2,736,000).

Audit-Related Fees

The audit-related fees billed by the Company's external auditors for the financial year ended December 31, 2011 were Cdn$163,000 (December 31, 2010 — Cdn$842,000) relating to translation services.

Tax Fees

The tax fees in respect of tax compliance and tax advice billed by the Company's external auditors for the financial year ended December 31, 2011 were Cdn$242,000 (December 31, 2010 — Cdn$196,000).

All Other Fees

Cdn$367,000 was paid to the Company's external auditors in 2011 under this caption (December 31, 2010 — Cdn$719,000).

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at *www.sedar.com*. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Company filed for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's audited consolidated financial statements and the MD&A for the financial year ended December 31, 2011.

GLOSSARY OF TECHNICAL TERMS

adularia

A variety of orthoclase, a mineral part of the feldspar group. A common mineral of granitic rocks.

alluvial

Referring to material which has been placed by the action of surface water.

arsenopyrite

The most common arsenic mineral and principal ore of arsenic; occurs in many sulfide ore deposits, particularly those containing lead, silver and gold.

assay

To determine the value of various elements within an ore sample, streambed sample, or valuable metal sample.

B2 horizon

A local geological term identifying a particular formation of rock.

ball mill

A steel cylinder filled with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.

basalt

An extrusive volcanic rock composed primarily of plagioclase, pyroxene and some olivine.

belt

A series of mineral deposits occurring in close proximity to eachother, often with a common origin.

biotite

A common rock-forming mineral in crystalline rocks, either as an original crystal in igneous rocks or as a metamorphic product in gneisses and schists; a detrital constituent of sedimentary rocks.

boudins

Series of sausage-shaped segments occurring in a boudinage structure. Boudinage occurs when bed sets are divided by cross-fractures into pillowlike segments. The cross-fractures are not sharp, but rather rounded, and may be compared with the necks that develop in ductile metal pieces under tension. The overall resulting appearance is that of a string of linked sausages when observed in section.

breccia

A coarse-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix; it differs from conglomerate in that the fragments have sharp edges and unworn corners.

carbon-in-leach

A process step wherein granular activated carbon particles much larger than the ground ore particles are introduced into the ore pulp. Cyanide leaching and precious metals adsorption onto the activated carbon occur simultaneously. The loaded activated carbon is mechanically screened to separate it from the barren ore pulp and processed to remove the precious metals and prepare it for reuse.

carbon-in-pulp

A process step wherein granular activated particles much larger than the ground ore particles are introduced into the ore pulp after primary leaching in cyanide. Precious metals adsorption occurs onto the activated carbon from the pregnant cyanide solution.

care and maintenance

The status of a mining operation when mining has been suspended but reclamation and closure of the property has not been commenced. The mill and associated equipment is being cared for and maintained until operations re-commence.

cathode

A rectangular plate of metal, produced by electrolytic refining, which is melted into commercial shapes such as wire-bars, billets, ingots, etc.

chalcopyrite

A copper mineral composed of copper, iron and sulphur. This mineral is very similar to marcasite in its characteristics; it tarnishes easily; going from bronze or brassy yellow to yellowish or grayish brown, has a dark streak, and is lighter in weight and harder than gold.

chert

A compact, glass-like siliceous rock composed of silica of various types (opaline or chalcedonic).

chlorite

1. The mineral group chamosite, clinochlore, cookeite, gonyerite, nimite, orthochamosite, pennantite, and sudoite. 2. Chlorites are associated with and resemble micas (the tabular crystals of chlorites cleave into small, thin flakes or scales that are flexible, but not elastic like those of micas); they may also be considered as clay minerals when very fine grained. Chlorites are widely distributed, especially in low-grade metamorphic rocks, or as alteration products of ferromagnesian minerals.

circuit

A processing facility for removing valuable minerals from the ore so that it can be processed and sold.

clay

An extremely fine-grained natural earthy material composed primarily of hydrous aluminum silicates. It may be a mixture of clay minerals and small amounts of nonclay materials or it may be predominantly one clay mineral. The type is determined by the predominant clay mineral. Clay is plastic when sufficiently pulverized and wetted, rigid when dry, and vitreous when fired to a sufficiently high temperature.

core

The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling.

cut-off grade

The lowest grade of mineral resources considered economic; used in the calculation of reserves in a given deposit.

cyanidation

A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving the contained gold and silver in a weak cyanide solution. May be carried out in tanks inside a mill or in heaps of ore out of doors.

cyclone underflow

A coarser sized fraction, which leaves via apex aperture of hydrocyclone.

dedicated pad

An area of topography where gold ore will be placed in order to be leached. The ore will remain permanently upon this pad upon the completion of the gold extraction.

dilution

The effect of waste or low-grade ore being included unavoidably in the mine ore, lowering the recovered grade.

doré

Unrefined gold and silver bullion bars, which will be further refined to almost pure metal.

electrowinning

Recovery of a metal from a solution by means of electro-chemical processes.

epithermal

Said of a hydrothermal mineral deposit formed within about 1 kilometre of the Earth's surface and in the temperature range of 50 to 200 degrees Celsius, occurring mainly as veins. Also, said of that depositional environment.

fault

A fracture in the earth's crust accompanied by a displacement of one side of the fracture with respect to the other and in a direction parallel to the fracture.

feldspar

1. Constituting 60% of the Earth's crust, feldspar occurs in all rock types and decomposes to form much of the clay in soil, including kaolinite. 2. The mineral group albite, andesine, anorthite, anorthoclase, banalsite, buddingtonite, bytownite, celsian, hyalophane, labradorite, microcline, oligoclase, orthoclase, paracelsian, plagioclase, reedmergnerite, sanidine, and slawsonite.

flocculent

A chemical used to promote the formation of denser slurries.

flotation

A separation process in which valuable mineral particles are induced to become attached to bubbles and float, while the non-valuable minerals sink.

fold

Any bending or wrinkling of rock strata.

formation

Unit of sedimentary rock of characteristic composition or genesis.

galena

A lead mineral, which occurs with sphalerite in hydrothermal veins, also in sedimentary rocks as replacement deposits; an important source of lead and silver.

garnet

The silicate minerals almandine, andradite, calderite, goldmanite, grossular, hibshite, katoite, kimzeyite, knorringite, majorite, pyrope, schlorlomite, spessartine, and uvarovite.

gold

A yellow malleable ductile high density metallic element resistant to chemical reaction, often occurring naturally in quartz veins and gravel, and precious as a monetary medium, in jewellery, etc. Symbol — Au.

gold equivalent production

Gold equivalent production represents gold production plus silver production computed into gold ounces using a market price ratio.

grade

The amount of valuable metal in each tonne or ore, expressed as grams per tonne for precious metals.

Cut-off grade — is the minimum metal grade at which a tonne of rock can be processed on an economic basis.

Recovered grade — is actual metal grade realized by the metallurgical process and treatment or ore, based on actual experience or laboratory testing.

gravity recovery circuit

Equipment used within a plant to recover gold from the ore using the difference in specific gravity between the gold and the host rock. Typically used are shaking tables, spirals, etc.

greenschist

A metamorphosed basic igneous rock, which owes its color and schistosity to abundant chlorite.

heap leaching

A process whereby gold is extracted by “heaping” broken ore on sloping impermeable pads and repeatedly spraying the heaps with a weak cyanide solution which dissolves the gold content. The gold-laden solution is collected for gold recovery.

hedging

Taking a buy or sell position in a futures market opposite to a position held in the cash market to minimize the risk of financial loss from an adverse price change.

high-grade

Rich ore. As a verb, it refers to selective mining of the best ore in a deposit.

high rate thickener

A type of equipment used to perform solid liquid separation. Slurry (a mixture of rock and water) is fed into this unit with a clear solution produced in one stream and a moist solid produced in the second stream.

HQ

A diamond drill core measuring 2.500 inches in diameter (6.35 centimetres).

intrusive

Rock which while molten, penetrated into or between other rocks but solidified before reaching the surface.

leach

A method of extracting gold from ore by a chemical solution usually containing cyanide.

lode

Vein of metal ore.

low-grade

A term applied to ores relatively poor in the metal they are mined for; lean ore.

mafic

Containing or relating to a group of dark-colored minerals, composed chiefly of magnesium and iron, that occur in igneous rocks.

metamorphism

The process by which the form or structure of rocks is changed by heat and pressure.

mica

1. A group of phyllosilicate minerals having the general composition, X2Y4-6Z8O20(OH,F) where X=(Ba,Ca,Cs,H3O,K,Na,NH4), Y=(Al,Cr,Fe,Li,Mg,Mn,V,Zn), and Z=(Al,Be,Fe,Si); may be monoclinic, pseudohexagonal or pseudo-orthorhombic; soft; perfect basal (micaceous) cleavage yielding tough, elastic flakes and sheets; colorless, white, yellow, green, brown, or black; excellent electrical and thermal insulators (isinglass); common rock-forming minerals in igneous, metamorphic, and sedimentary rocks. 2. The mineral group anandite, annite, biotite, bityite, celadonite, chernykhite, clintonite, ephesite, ferri-annite, glauconite, hendricksite, kinoshitalite, lepidolite, margarite, masutomilite, montdorite, muscovite, nanpingite, norrishite, paragonite, phlogopite, polylithionite, preiswerkite, roscoelite, siderophyllite, sodium phlogopite, taeniolite, tobelite, wonesite, and zinnwaldite.

micaceous

Consisting of or containing mica; e.g., a micaceous sediment.

mill

A plant where ore is ground fine and undergoes physical or chemical treatment to extract the valuable metals.

mineral claim

A mineral claim usually authorizes the holder to prospect and mine for minerals and to carry out works in connection with prospecting and mining.

mineralization

The process or processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types; e.g., fissure filling, impregnation, and replacement.

muscovite

A monoclinic mineral, KaI2(Si3Al)O10(OH,F)2; mica group; pseudohexagonal; perfect basal cleavage; forms large, transparent, strong, electrically and thermally insulating, stable sheets; a common rock-forming mineral in silicic plutonic rocks, mica schists, gneisses, and commercially in pegmatites; also a hydrothermal and weathering product of feldspar and in detrital sediments.

net smelter return

A type of royalty payment where the royalty owner receives a fixed percentage of the revenues of a property or operation.

open pit

A mine that is entirely on surface. Also referred to as open-cut or open-cast mine.

oligocene

An epoch of the early Tertiary Period, after the Eocene and before the Miocene; also, the corresponding worldwide series of rocks. It is considered to be a period when the Tertiary is designated as an era.

oxidation

A reaction where a material is reacted with an oxidizer such as pure oxygen or air in order to alter the state of the material.

paleozoic

The era of geologic time that includes the Cambrian, Ordovician, Silurian, Devonian, Mississippian, Pennsylvanian and Permian periods and is characterized by the appearance of marine invertebrates, primitive fishes, land plants and primitive reptiles.

phases

Stages in time and/or composition in forming the rock.

placer

A place where gold is obtained by the washing of materials: rocks, boulders, sand, clay, etc. containing gold or other valuable minerals by the elements. These are deposits of valuable minerals, in Kinross' case, native gold, which are found in the form of dust, flakes, grains, and nuggets. In the United States mining law, mineral deposits, not veins in place, are treated as placers as far as locating, holding, and patenting are concerned. The term "placer" applies to ancient (Tertiary) gravel as well as to recent deposits, and to underground (drift mines) as well as surface deposits.

porphyry

An igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-granted groundmass.

pyrite

A yellow iron sulphide mineral, normally of little value. It is sometimes referred to as "fool's gold."

pyroclastic

Produced by explosive or aerial ejection of ash, fragments, and glassy material from a volcanic vent. Applied to the rocks and rock layers as well as to the textures so formed.

qualified person

an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.

quartz

Common rock-forming mineral consisting of silicon and oxygen.

quartzite

1. A granoblastic metamorphic rock consisting mainly of quartz and formed by recrystallization of sandstone or chert by either regional or thermal metamorphism; metaquartzite. 2. A very hard but unmetamorphosed sandstone, consisting chiefly of quartz grains that are so

completely cemented with secondary silica that the rock breaks across or through the grains rather than around them; an orthoquartzite. 3. Stone composed of silica grains so firmly cemented by silica that fracture occurs through the grains rather than around them. 4. As used in a general sense by drillers, a very hard, dense sandstone. 5. A granulose metamorphic rock consisting essentially of quartz. 6. Sandstone cemented by silica that has grown in optical continuity around each fragment.

reclamation

The restoration of a site after mining or exploration activity is completed.

recovery

A term used in process metallurgy to indicate the proportion of valuable material obtained in the processing of an ore. It is generally stated as a percentage of valuable metal in the ore that is recovered compared to the total valuable metal present in the ore.

run-of-mine

Said of ore in its natural, unprocessed state; pertaining to ore just as it is mined.

reusable pad ore

Ore which is processed on a reusable pad. The reusable pad is an area where heap leaching takes place on ore material temporarily placed onto it. Upon completion of leaching, the ore is removed from the pad and sent to disposal. New material is then applied.

sample

A small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying.

schist

A foliated metamorphic rock the grains of which have a roughly parallel arrangement; generally developed by shearing.

sedimentary rocks

Secondary rocks formed from material derived from other rocks and laid down under water. Examples are limestone, shale and sandstone.

semi-autogenous (SAG) mill

A steel cylinder with steel balls into which run-of-mine material is fed. The ore is ground in the action of large lumps of rock and steel balls.

sericite

A white, fine-grained potassium mica occurring in small scales as an alteration product of various aluminosilicate minerals, having a silky luster, and found in various metamorphic rocks (especially in schists and phyllites) or in the wall rocks, fault gouge, and vein fillings of many ore deposits. It is commonly muscovite or very close to muscovite in composition, but may also include paragonite and illite.

shear zone

A geological term used to describe a geological area in which shearing has occurred on a large scale.

silica

The chemically resistant dioxide of silicon, SiO_2; occurs naturally as five crystalline polymorphs: trigonal and hexagonal quartz, orthorhombic and hexagonal tridymite, tetragonal and isometric cristobalite, monoclinic coesite, and tetragonal stishovite. Also occurs as cryptocrystalline chalcedony, hydrated opal, the glass lechatelierite, skeletal material in diatoms and other living organisms, and fossil skeletal material in diatomite and other siliceous accumulations. Also occurs with other chemical elements in silicate minerals.

slurry

Fine rock particles are suspended in a stream of water.

sphalerite

A zinc mineral which is composed of zinc and sulphur. It has a specific gravity of 3.9 to 4.1.

stock

A magma that has intruded into preexisting rock in a columnar shape typically a kilometre or more in diameter.

stockpile

Broken ore heaped on surface, pending treatment or shipment.

stockwork

A mineral deposit consisting of a three-dimensional network of planar to irregular veinlets closely enough spaced that the whole mass can be mined.

tailings

The material that remains after all metals considered economic have been removed from ore during milling.

terrane

Area of land of a particular character, *e.g.,* mountainous, swampy.

tuff

Rock composed of fine volcanic ash.

vein

A fissure, fault or crack in a rock filled by minerals that have traveled upwards from some deep source.

volcanics

A general collective term for extrusive igneous and pyroclastic material and rocks.

zone

An area of distinct mineralization.

SCHEDULE "A"

KINROSS GOLD CORPORATION
("KINROSS")

CHARTER OF THE
AUDIT AND RISK COMMITTEE

I. Purpose

The Audit and Risk Committee shall provide assistance to the Board of Directors in fulfilling its financial reporting and risk oversight responsibilities to the shareholders of Kinross and the investment community. The Audit and Risk Committee's primary duties and responsibilities are to:

- Oversee (i) the integrity of Kinross' financial statements; (ii) Kinross' compliance with legal and regulatory requirements regarding financial disclosure; (iii) the independent auditors' qualifications and independence; and (iv) the performance of Kinross' internal audit function.
- Serve as an independent and objective party to monitor Kinross' financial reporting processes and internal control systems.
- Review and appraise the audit activities of Kinross' independent auditors and the internal auditing functions.
- Annually evaluate the performance of the Audit and Risk Committee in light of the requirements of its Charter.
- Provide open lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters. The Audit and Risk Committee will meet, periodically, with management, with the members of the internal audit function and with the independent auditors.
- Oversee the Kinross' process for identifying and managing business risks.
- Review the use of derivative and hedging programs to manage operational, financial and currency risk.
- Review and approval of Internal Audit Charter.
- Review Kinross' overall tax plan and any material tax planning initiatives.
- Review, evaluate and oversee the periodic replacement of the lead audit partner of the independent auditors.

The primary responsibility of the Committee is to oversee Kinross' financial reporting process on behalf of the Board of Directors and to report the results of its activities to the Board of Directors. While the Committee has the responsibilities and powers provided in this Charter, it is the responsibility of management and the external auditors, not the responsibility of the Committee, to plan and conduct audits and to prepare and determine

that Kinross' financial statements are complete and accurate and are in accordance with generally accepted accounting principles. It is also the responsibility of management to establish, document, maintain and review systems of internal control and maintain the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and applicable laws. Absent knowledge to the contrary (the details of which shall be promptly reported to the Board of Directors), each member of the Committee is entitled to rely on the accuracy of the financial and other information provided to the Committee by management and the external auditors and any representations made by management or the external auditors as to any non-audit services provided to Kinross or any of its subsidiaries.

II. Composition

The Audit and Risk Committee shall be comprised of at least three directors. Each Committee member shall be an "independent director" as determined in accordance with applicable legal requirements for Audit and Risk Committee service, including the requirements of National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") and the Corporate Governance Rules of the New York Stock Exchange ("NYSE Rules"), as such rules are revised, updated or replaced from time to time. A copy of such requirements is reproduced in Schedule "A" attached hereto.

All members shall, to the satisfaction of the Board of Directors, be "financially literate", and at least one member shall have accounting or related financial management expertise to qualify as a "financial expert" in accordance with applicable legal requirements, including the requirements of NI 52-110 and the rules adopted by the United States Securities and Exchange Commission, as revised, updated or replaced from time to time. A copy of such requirements reproduced in Schedule "A" attached hereto.

No director may serve as a member of the Committee if such director serves on the Audit and Risk Committee of more than two other public companies unless the Board of Directors determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit and Risk Committee, and this determination is disclosed in the annual management information circular.

The Committee members will be appointed by the Board of Directors annually at the first meeting of the Board of Directors following the annual general meeting of shareholders.

The Board of Directors may remove a member of the Committee at any time in its sole discretion by resolution of the Board of Directors. Unless a Chair of the Committee is appointed by the full Board of Directors, the members of the Committee may designate a Chair of the Committee by majority vote of the full membership of the Committee.

III. Responsibilities and Powers

Responsibilities and powers of the Audit and Risk Committee include:

- Annually reviewing and recommending revisions to the Charter, as necessary, for consideration by the Board of Directors.
- Reviewing disclosure respecting the activities of the Audit and Risk Committee included in Kinross' annual filings.

- Subject to the powers of the Board of Directors and the shareholders under Kinross' articles and by-laws and under the *Business Corporations Act* (Ontario), the Audit and Risk Committee is responsible for the selection, appointment, oversight, evaluation, compensation, retention and, if necessary, the replacement of the independent auditors who prepare or issue an auditors' report or perform other audit, review or attest services for Kinross.
- Overseeing procedures relating to the receipt, retention and treatment of complaints received by Kinross regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the listed issuer of concerns regarding questionable accounting of auditing matters, pursuant to Kinross' whistleblower policy, or otherwise.
- Approving the appropriate audit engagement fees and the funding for payment of the independent auditors' compensation and any advisors retained by the Audit and Risk Committee.
- Requiring that the auditors report directly to the Audit and Risk Committee and be accountable to the Board and the Audit and Risk Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- Reviewing the independence of the auditors, which will require receipt from the auditors of a formal written statement delineating all relationships between the auditors and Kinross and any other factors that might affect the independence of the auditors and reviewing and discussing with the auditors any significant relationships and other factors identified in the statement. Reporting to the Board of Directors its conclusions on the independence of the auditors and the basis for these conclusions.
- Requiring the external auditors to provide the Committee with all reports which the external auditors are required to provide to the Committee or the Board of Directors under rules, policies or practices of professional or regulatory bodies applicable to external auditors.

- Prohibiting the independent auditors from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
  - bookkeeping or other services related to the accounting records or financial statements of Kinross;
  - financial information systems design and implementation;
  - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - actuarial services;
  - internal audit outsourcing services;
  - management functions or human resources;
  - broker or dealer, investment adviser or investment banking services;

  - legal services and expert services unrelated to the audit; and
  - any other services which the Public Company Accounting Oversight Board determines to be impermissible.
- Approving any permissible non-audit engagements of the independent auditors in accordance with applicable laws.
- Obtaining from the independent auditors in connection with any audit a timely report relating to the Kinross' annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences.
- Meeting with the auditors and financial management of Kinross to review the scope of the proposed audit for the current year, and the audit procedures to be used.
- Reviewing with management and the independent auditors:
  - Kinross' annual and interim financial statements and related notes, management's discussion and analysis, earnings releases and the annual information form, for the purpose of recommending approval by the Board of Directors prior to being released or filed with regulators, and:
    - reviewing with management, significant judgments affecting the financial statements, including any disagreements between the external auditors and management
    - discussing among the members of the Committee, without management or the independent auditors present, the information disclosed to the Committee
    - receiving the assurance of both financial management and the independent auditors that Kinross' financial statements are fairly presented in conformity with Canadian GAAP in all material respects
    - discussing with management the use of "pro forma" or "non GAAP information" in Kinross' continuous disclosure documents.
    - discussing with management and counsel any matter, including any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of Kinross and the manner in which any such matter has been described in the financial statements.
    - reviewing the effect of any regulatory and accounting initiatives, including any off balance sheet structures, on Kinross' financial statements.

  - The financial reporting of any transactions between Kinross and any officer, director or other "related party" (including any significant shareholder) or any entity in which any person has a financial interest and any potential conflicts of interest.
  - Any significant changes in the independent auditors' audit plan.
  - Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.
- Reviewing the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on Kinross' financial

statements.

- With respect to the internal auditing department,

  (i) reviewing the appointment and replacement of the director of the internal auditing department;

  (ii) advising the director of the internal auditing department that he or she is expected to provide to the Audit and Risk Committee copies of significant reports to management prepared by the internal auditing department and management's responses thereto; and

  (iii) considering if the internal auditing department has the resources needed to carry out its responsibilities.

- With respect to accounting principles and policies, financial reporting and internal control over financial reporting,

  (i) to advise management, the internal auditing department and the independent auditors that they are expected to provide to the Audit and Risk Committee a timely analysis of significant issues and practices relating to accounting principles and policies, financial reporting and internal control over financial reporting;

  (ii) to consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Audit and Risk Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as it may be modified or supplemented or other professional standards, including reports and communications related to:

  - deficiencies, including significant deficiencies or material weaknesses, in internal control identified during the audit or other matters relating to internal control over financial reporting;
  - consideration of fraud in a financial statement audit;
  - detection of illegal acts;

  - the independent auditors' responsibility under generally accepted auditing standards;
  - any restriction on audit scope;
  - significant accounting policies;
  - significant issues discussed with the national office respecting auditing or accounting issues presented by the engagement;
  - management judgments and accounting estimates;
  - any accounting adjustments arising from the audit that were noted or proposed by the auditors but were passed (as immaterial or otherwise);
  - the responsibility of the independent auditors for other information in documents containing audited financial statements;
  - disagreements with management;
  - consultation by management with other accountants;
  - major issues discussed with management prior to retention of the independent auditors;
  - difficulties encountered with management in performing the audit;
  - the independent auditors' judgments about the quality of the entity's accounting principles;
  - reviews of interim financial information conducted by the independent auditors; and
  - the responsibilities, budget and staffing of the Company's internal audit function.

- Satisfying itself that adequate procedures are in place for the review of Kinross' public disclosure of financial information extracted or derived from Kinross' financial statements, other than the annual and interim financial statements and related notes, management's discussion and analysis, earnings releases and the annual information form and assessing the adequacy of such procedures periodically.

- Reviewing with the independent auditors and management the adequacy and effectiveness of the financial and accounting controls of Kinross.

- Reviewing the quality and appropriateness of Kinross' accounting policies and the clarity of financial information and disclosure practices adopted by Kinross and considering the independent's auditor's judgments about the quality and appropriateness of Kinross' accounting principles and financial disclosure practices, as applied in its financial reporting and whether the accounting principles and underlying estimates are common or minority practices.

- Establishing procedures: (i) for receiving, handling and retaining of complaints received by Kinross regarding accounting, internal controls, or auditing matters, and (ii) for employees to submit confidential anonymous concerns regarding questionable accounting or auditing matters.

- Reviewing with the independent auditors any audit problems or difficulties and management's response and resolving disagreements between management and the auditors.

- Making inquires of management and the independent auditors to identify significant, financial and control risks and exposures and assess the steps management has taken to minimize such risk to Kinross.

- Reviewing the adequacy of Kinross' disaster recovery plan to consider if operations can be resumed as quickly and efficiently as possible following the occurrence of any disaster.

- Reviewing reports of compliance with Kinross' policies on internal controls.

- Discussing any earnings guidance provided to analysts and rating agencies.

- Reviewing any significant tax exposures and tax planning initiatives intended to promote compliance with applicable laws while minimizing tax costs.

- At least annually obtaining and reviewing a report prepared by the independent auditors describing (i) the auditors' internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (iii) (to assess the auditors' independence) all relationships between the independent auditors and Kinross, including each non-audit service provided to the Company and at least the matters set forth in Independent Standards Board No.1.

- Setting clear hiring policies for partners, employees or former partners and former employees of the independent auditors.

- Engaging and compensating (for which Kinross will provide appropriate funding) independent counsel and other advisors if the Committee determines such advisors are necessary to assist the Committee in carrying out its duties.

- Reporting disclosure respecting the mandate of the Committee and the Committee's activities included in Kinross' Management Information Circular prepared for the annual and general meeting of shareholders and Kinross' Annual Information Form.

IV. Risk Identification and Oversight

- Review of the principal risks of Kinross' business and operations, and any other circumstances and events that could have a significant impact on Kinross' assets and stakeholders. Discussing with management potential risks to Kinross' business and

operations, their likelihood and magnitude and assessing the steps management has taken to minimize such risks.

- Assessing the overall process for identifying Kinross' principal business and operational risks and the implementation of appropriate measures to manage and disclose such risks.

- Reviewing with senior management annually, Kinross' general liability, property and casualty insurance policies and considering the extent of any uninsured exposure and the adequacy of coverage.

- Reviewing disclosure respecting the oversight of management of Kinross' principal business and operational risks.

V. Meetings and Other Matters

The Audit and Risk Committee will meet regularly at times necessary to perform the duties described above in a timely manner, but not less than four times a year. Meetings may be held at any time deemed appropriate by the Committee.

The Audit and Risk Committee will meet periodically with representatives of the independent auditors, appropriate members of management and personnel responsible for the internal audit function, all either individually or collectively as may be required by the Committee.

The Audit and Risk Committee will also meet periodically without management present.

The independent auditors will have direct access to the Committee at their own initiative.

The Chair of the Committee will report periodically the Committee's findings and recommendations to the Board of Directors.

The Audit and Risk Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including

the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.

Kinross shall provide for appropriate funding, as determined by the Audit and Risk Committee, in its capacity as a committee of the Board, for payment of:

1. Compensation to the independent auditors and any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company;

2. Compensation of any advisers employed by the Audit and Risk Committee; and

3. Ordinary administrative expenses of the Audit and Risk Committee that are necessary or appropriate in carrying out its duties.

Schedule "I"

Independence Requirement of National Instrument 52-110

A member of the Audit and Risk Committee shall be considered "independent", in accordance with *National Instrument 52-110 - Audit and Risk Committees* ("NI 52-110"), subject to the additional requirements or exceptions provided in NI 52-110, if that member has no direct or indirect relationship with the Company, which could reasonably interfere with the exercise of the member's independent judgment. The following persons are considered to have a material relationship with the Company and, as such, can not be a member of the Audit and Risk Committee:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;

(c) an individual who:

(i) is a partner of a firm that is the Company's internal or external auditor;

(ii) is an employee of that firm; or

(iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the Company's internal or external auditor;

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at the same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than $75,000 in direct compensation from the Company during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

In addition to the independence criteria discussed above, for Audit and Risk Committee purposes, any individual who:

(a) has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee; or as a part-time chair or vice-chair of the board or any board or committee, or

(b) is an affiliated entity of the Company or any of its subsidiary entities,

is deemed to have a material relationship with the Company, and therefore, is deemed not to be independent.

The indirect acceptance by an individual of any consulting, advisory or other fee includes acceptance of a fee by:

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or

executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.

Independence Requirement of NYSE Rules

A director shall be considered "independent" in accordance with NYSE Rules if that director has no material relationship with the Company that may interfere with the exercise of his/her independence from management and the Company.

In addition:

(a) A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationships.

(b) A director who receives, or whose immediate family member receives, more than $120,000 per year in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than $120,000 per year in such compensation.

(c) A director who is (i) a current partner or employee of the Company's internal or external auditor, (ii) was within the last three years a partner or employee of the auditor and personally worked on the Company's audit during that time or (iii) whose immediate family member is a current partner of the Company's auditor, a current employee of the auditor and personally works on the Company's audit or was within the last three years a partner or employee of the auditor and personally worked on the Company's audit during that time is not "independent".

(d) A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives

serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.

(e) A director who is an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.

A member of the Audit and Risk Committee must also satisfy the independence requirements of Rule 10A-3(b)(1) adopted under the *Securities Exchange Act of 1934* as set out below:

In order to be considered to be independent, a member of an Audit and Risk Committee of a listed issuer that is not an investment company may not, other than in his or her capacity as a member of the Audit and Risk Committee, the board of directors, or any other board committee:

(a) Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or

(b) Be an affiliated person of the issuer or any subsidiary thereof.

An "affiliated person" means a person who directly or indirectly controls Kinross, or a director who is an employee, executive officer, general partner or managing member of an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, Kinross.

Financial Literacy Under National Instrument 52-110

"Financially literate", in accordance with NI 52-110, means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Financial Expert under SEC Rules

An Audit and Risk Committee financial expert is defined as a person who has the following attributes:

(a) an understanding of generally accepted accounting principles and financial statements;

(b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues which are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the

registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

(d) an understanding of internal controls and procedures for financial reporting; and

(e) an understanding of Audit and Risk Committee functions.

An individual will be required to possess all of the attributes listed in the above definition to qualify as an Audit and Risk Committee financial expert and must have acquired such attributes through one or more of the following means:

(a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar function;

(b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

(c) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

(d) other relevant experience.

Exceptions to Independence Requirements of NI 52-110 for Audit and Risk Committee Members

Every Audit and Risk Committee member must be independent, subject to certain exceptions relating to (i) controlled companies; (ii) events outside the control of the member; (iii) the death, disability or resignation of the member; and (iv) the occurrence of certain exceptional circumstances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2011

This management's discussion and analysis ("MD&A") relates to the financial condition and results of operations of Kinross Gold Corporation together with its wholly owned subsidiaries, as of February 15, 2012, and is intended to supplement and complement Kinross Gold Corporation's audited annual consolidated financial statements for the year ended December 31, 2011 and the notes thereto. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on Forward Looking Information included with this MD&A and to consult Kinross Gold Corporation's audited consolidated financial statements for 2011 and corresponding notes to the financial statements which are available on the Company's web site at www.kinross.com and on www.sedar.com. The December 31, 2011 audited consolidated financial statements and MD&A are presented in US dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The 2010 comparative information included in the December 31, 2011 audited annual consolidated financial statements and in this MD&A has been restated in accordance with IFRS. The 2009 comparative information included in the consolidated financial and operating highlights has not been restated and has been prepared in accordance with Canadian generally accepted accounting principles. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as at and for the year ended December 31, 2011, as well as our outlook.

This section contains forward-looking statements and should be read in conjunction with the risk factors described in "Risk Analysis". In certain instances, references are made to relevant notes in the consolidated financial statements for additional information.

Where we say "we", "us", "our", the "Company" or "Kinross", we mean Kinross Gold Corporation or Kinross Gold Corporation and/or one or more or all of its subsidiaries, as it may apply. Where we refer to the "industry", we mean the gold mining industry.

1. DESCRIPTION OF THE BUSINESS

Kinross is engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, the extraction and processing of gold-containing ore, and reclamation of gold mining properties. Kinross' gold production and exploration activities are carried out principally in Canada, the United States, the Russian Federation, Brazil, Ecuador, Chile, Ghana and Mauritania. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells silver.

The profitability and operating cash flow of Kinross are affected by various factors, including the amount of gold and silver produced, the market prices of gold and silver, operating costs, interest rates, regulatory and environmental compliance, the level of exploration activity and capital expenditures, general and administrative costs, and other discretionary costs and activities. Kinross is also exposed to fluctuations in currency exchange rates, political risks, and varying levels of taxation that can impact profitability and cash flow. Kinross seeks to manage the risks associated with its business operations; however, many of the factors affecting these risks are beyond the Company's control.

Commodity prices continue to remain volatile as economies around the world continue to experience economic difficulties. Volatility in the price of gold and silver impacts the Company's revenue, while volatility in the price of input costs, such as oil, and foreign exchange rates, particularly the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, euro, Mauritanian ouguiya, and Ghanaian cedi, may have an impact on the Company's operating costs and capital expenditures (see Section 11 - *Risk Analysis* for additional details on the impact of foreign exchange rates).

On March 31, 2011, the Company amended its revolving credit facility agreement to increase the amount of available credit to $1.2 billion and extended its term to March 2015. As at December 31, 2011, the Company had $1,145.4 million available under its credit facility arrangements.

On August 22, 2011, the Company completed a $1.0 billion offering of debt securities, consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021, and $250.0 million principal amount of 6.875% senior notes due 2041.

On December 21, 2011, the Company completed a $200.0 million non-recourse term loan financing with a group of international financial institutions. The loan has a term of five years, matures on September 30, 2016, and bears interest at LIBOR plus 2.50% (December 31, 2011 - 3.07%). Semi-annual principal repayments will commence in March 2013.

Segment profile

Each of the Company's significant operating mines is considered to be a separate segment. These are the segments that are reviewed and measured by the Chief Executive Officer as they are financially and operationally significant operations of Kinross.

Operating Segments	Operator	Location	Ownership percentage at December 31 **2011**	2010
Fort Knox	Kinross	U.S.A.	**100%**	100%
Round Mountain	Kinross	U.S.A.	**50%**	50%
Kettle River-Buckhorn	Kinross	U.S.A.	**100%**	100%
Kupol [(a)(b)]	Kinross	Russian Federation	**100%**	75%
Paracatu	Kinross	Brazil	**100%**	100%
Crixás	AngloGold Ashanti	Brazil	**50%**	50%
La Coipa	Kinross	Chile	**100%**	100%
Maricunga	Kinross	Chile	**100%**	100%
Tasiast	Kinross	Mauritania	**100%**	100%
Chirano	Kinross	Ghana	**90%**	90%

(a) As of April 27, 2011, Kinross increased its ownership in Kupol from 75% to 100%.

(b) As of December 31, 2011, Dvolnoye was reclassified into the Kupol segment.

Consolidated Financial and Operating Highlights

(in millions, except ounces, per share amounts, gold price and production cost of sales per equivalent ounce)	Year ended December 31,			2011 vs 2010		2010 vs 2009	
	2011	2010	2009 [g]	Change	% Change	Change	% Change
Operating Highlights							
Total gold equivalent ounces [a]							
Produced [c]	2,702,573	2,527,695	2,470,042	174,878	7%	57,653	2%
Sold [c]	2,701,358	2,537,175	2,487,076	164,183	6%	50,099	2%
Attributable gold equivalent ounces [a]							
Produced [c]	2,610,373	2,334,104	2,238,665	276,269	12%	95,439	4%
Sold [c]	2,611,287	2,343,505	2,251,189	267,782	11%	92,316	4%
Financial Highlights							
Metal sales	$ 3,943.3	$ 3,010.1	$ 2,412.1	$ 933.2	31%	$ 598.0	25%
Production cost of sales	$ 1,596.4	$ 1,249.0	$ 1,047.1	$ 347.4	28%	$ 201.9	19%
Depreciation, depletion and amortization	$ 577.4	$ 551.5	$ 447.3	$ 25.9	5%	$ 104.2	23%
Impairment charges	$ 2,937.6	$ -	$ -	$ 2,937.6	-	$ -	0%
Operating earnings (loss)	$ (1,542.5)	$ 648.9	$ 645.9	$ (2,191.4)	(338%)	$ 3.0	0%
Net earnings (loss) attributed to common shareholders	$ (2,073.6)	$ 759.7	$ 309.9	$ (2,833.3)	(373%)	$ 449.8	145%
Basic earnings (loss) per share	$ (1.83)	$ 0.92	$ 0.45	$ (2.75)	(299%)	$ 0.47	104%
Diluted earnings (loss) per share	$ (1.83)	$ 0.92	$ 0.44	$ (2.75)	(299%)	$ 0.48	109%
Adjusted net earnings attributed to common shareholders [b]	$ 871.8	$ 486.4	$ 304.9	$ 385.4	79%	$ 181.50	60%
Adjusted net earnings per share [b]	$ 0.77	$ 0.59	$ 0.44	$ 0.18	31%	$ 0.15	34%
Net cash flow provided from operating activities	$ 1,416.9	$ 1,002.2	$ 785.6	$ 414.7	41%	$ 216.6	28%
Adjusted operating cash flow [b]	$ 1,598.7	$ 1,109.6	$ 937.2	$ 489.1	44%	$ 172.4	18%
Average realized gold price per ounce	$ 1,502	$ 1,191	$ 967	$ 311	26%	$ 224	23%
Consolidated production cost of sales per equivalent ounce [c] sold [d]	$ 591	$ 492	$ 421	$ 99	20%	$ 71	17%
Attributable [a] production cost of sales per equivalent ounce [c] sold [e]	$ 596	$ 506	$ 437	$ 90	18%	$ 69	16%
Attributable [a] production cost of sales per ounce sold on a by-product basis [f]	$ 542	$ 460	$ 388	$ 82	18%	$ 72	19%

(a) Total includes 100% of Kupol and Chirano production. "Attributable" includes Kinross' share of Kupol (75% up to April 27, 2011, 100% thereafter) and Chirano (90%) production.

(b) "Adjusted net earnings attributed to common shareholders", "Adjusted net earnings per share" and "Adjusted operating cash flow" are non-GAAP measures. The reconciliation of these non-GAAP financial measures is included in Section 12 of this document.

(c) Gold equivalent ounces include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each year. The ratios were: 2011 - 44.65:1, 2010 - 60.87:1, and 2009 - 66.97:1.

(d) "Consolidated production cost of sales per equivalent ounce sold" is a non-GAAP measure and is defined as production cost of sales as per the consolidated financial statements divided by the total number of gold equivalent ounces sold. See Section 12 - *Supplemental Information* of this document for a reconciliation of non-GAAP measures.

(e) "Attributable production cost of sales per equivalent ounce sold" is a non-GAAP measure and is defined as attributable production cost of sales divided by the attributable number of gold equivalent ounces sold. See Section 12 - *Supplemental Information* of this document for a reconciliation of non-GAAP measures.

(f) "Attributable production cost of sales per ounce sold on a by-product basis" is a non-GAAP measure and is defined as attributable production cost of sales less attributable silver revenue divided by the total number of attributable gold ounces sold. See Section 12 - *Supplemental Information* of this document for a reconciliation of non-GAAP measures.

(g) 2009 information has not been restated to conform with IFRS and is presented in accordance with Canadian generally accepted accounting principles.

Consolidated Financial Performance

Unless otherwise stated, "attributable" production and sales includes only Kinross' share of Kupol (75% to April 27, 2011, 100% thereafter) and Chirano (90%).

2011 vs. 2010

Kinross' attributable production increased by 12% in 2011 compared with 2010 due to the inclusion of production from the Tasiast and Chirano mines, which were acquired by the Company from Red Back Mining Inc. ("Red Back") on September 17, 2010, and the increase in the Company's interest in Kupol from 75% to 100% on April 27, 2011. In addition, during 2011 production increased at Maricunga due to higher recoveries, tonnes processed, and grades. These increases were offset to some extent by lower production at Paracatu, Kettle-River Buckhorn, and Crixás due to planned lower grades, processing and recoveries, and at Fort Knox and La Coipa due to an increased reliance on lower grade stockpile ore.

Metal sales in 2011 were $3,943.3 million, a 31% increase compared with 2010. The increase in metal sales during the current year was attributable to higher metal prices realized and higher gold equivalent ounces sold. The average realized gold price per ounce increased by 26% in 2011 compared with 2010, while gold equivalent ounces sold during 2011 increased to 2,701,358 compared with 2,537,175 in 2010, resulting primarily from the addition of production from Tasiast and Chirano. During 2011, the Company realized an average gold price of $1,502 per ounce compared to the average spot gold price of $1,572 per ounce. The variance arose mainly due to the Company's gold hedges that were acquired with the Bema Gold Corporation ("Bema") acquisition, as they reduced the average price realized by $64 per ounce for the year ended December 31, 2011. The Company had entered into offsetting gold purchase contracts, in 2010 and in early 2011, to neutralize the impact of all remaining gold forward sales contracts, resulting in gold production being 100% exposed to spot gold price subsequent to dates these purchase contracts were entered into. During the third quarter of 2011, the Company closed out and early settled all outstanding gold forward sales and purchase contracts. Mark-to-market losses on those gold forward sales contracts incurred up to the dates the offsetting purchase contracts were entered into continued to impact metal sales (and the average realized gold price) during 2011 and will continue to do so in the first half of 2012.

Production cost of sales increased by 28% to $1,596.4 million in 2011 compared with $1,249.0 million for 2010. The addition of the Tasiast and Chirano mines accounted for 64% of the increase in production cost of sales in 2011 compared with 2010. In addition, production cost of sales increased significantly at Paracatu, Crixás, Round Mountain, and Kettle River-Buckhorn, as a result of higher diesel fuel, labour, power, and contractor costs.

Depreciation, depletion and amortization increased to $577.4 million in 2011 compared with $551.5 million for 2010 due primarily to the addition of Tasiast and Chirano. Offsetting the increase from Tasiast and Chirano, was a decline in depreciation, depletion and amortization at Fort Knox, Kettle River-Buckhorn, Kupol, La Coipa, Paracatu, and Crixás due primarily to a decrease in gold ounces sold.

Upon completing its annual assessment of the carrying value of its cash generating units, the Company recorded impairment charges relating to goodwill at the Tasiast and Chirano sites of $2,490.1 million and $447.5 million, respectively. The impairment charges were a result of changes in market conditions, including industry-wide increases in capital and operating costs, a decline in industry-wide valuations as at year-end, and the Company's growing understanding of the Tasiast project parameters, including its analysis of a draft mine plan.

The operating loss in 2011 was reduced by the higher gold equivalent ounces sold and higher realized metal prices in 2011 compared with 2010.

The net loss attributable to common shareholders in 2011 was $2,073.6 million or $1.83 per share compared with net earnings attributable to common shareholders of $759.7 million or $0.92 per share, in 2010. The net loss attributed to common shareholders in 2011 was primarily a result of the operating loss noted above. In 2010, other income included gains of $146.4 million, $95.5 million, and $78.1 million recorded on the Company's sale of its equity interest in Harry Winston, its Working Interest in Diavik, and sale of one-half of the Company's interest in Cerro Casale respectively. In addition in 2010, the Company recognized a gain of $209.3 million representing the unrealized increase in fair value of its initial investment in Red Back at the time of the acquisition.

Adjusted net earnings were $871.8 million, or $0.77 per share for 2011, compared with adjusted net earnings of $486.4 million, or $0.59 per share, for 2010.

Net operating cash flows were $1,416.9 million compared with $1,002.2 million for 2010. Operating cash flows for 2011 were positively impacted by higher metal prices realized relative to 2010. This increase was offset to some extent by cash payments on the close out and early settlement of derivative instruments acquired with the Bema acquisition.

The adjusted operating cash flow in 2011 was $1,598.7 million compared with $1,109.6 million for 2010, primarily due to higher gold equivalent ounces sold and higher realized gold prices in 2011 compared with 2010.

2010 vs. 2009

The Company's 2009 results have not been restated in accordance with IFRS. The following commentary relates to changes in operating trends in 2010 as compared with 2009.

Kinross' attributable production for 2010 increased by 4% compared to 2009. During 2010, production increased at Fort Knox due to a full year of production from the heap leach pad which commenced production in the fourth quarter of 2009, at Paracatu due to operating improvements and enhanced recoveries, and at Kettle River-Buckhorn as the mine was ramping up to targeted production during 2009. Additionally, Kinross acquired Red Back on September 17, 2010, incorporating the production of the Tasiast and Chirano mines for the balance of 2010. The increases in production were offset by lower production at Kupol and in Chile. Production for 2010 was lower at Kupol due to lower grades. At La Coipa, production was negatively impacted by adverse weather conditions and a higher concentration of clay in the ore blend which impacted filter plant capacity and recovery rates, while at Maricunga access to ore was restricted as mining reached the bottom of the Verde pit.

Metal sales amounted to $3,010.1 million in 2010, a 25% increase over 2009. The increase in metal sales can be attributed to higher metal prices and a 2% increase in gold equivalent ounces sold. The average realized gold price increased by 23% to $1,191 for 2010 compared with $967 in 2009. Attributable gold equivalent ounces sold in 2010 were slightly higher than attributable gold equivalent ounces produced, as finished goods inventory on hand at the end of December 31, 2009 was sold during 2010. The former Red Back mines contributed $194.8 million to total metal sales in 2010.

Production cost of sales was higher during 2010 largely due to increased production at Fort Knox and Paracatu, and increased contractor and energy costs at La Coipa. Fort Knox also experienced higher costs, including energy and diesel, associated with the full year operation of the heap leach pad during 2010. Additionally, Kinross acquired Red Back on September 17, 2010, incorporating production cost of sales from the Tasiast and Chirano mines for the balance of 2010.

Depreciation, depletion and amortization increased significantly at Kettle River-Buckhorn and Paracatu due to higher gold equivalent ounces sold. At Fort Knox, depreciation was recorded for the full year of 2010 on the heap leach pad which commenced production during the fourth quarter of 2009. Additionally, Kinross recorded depreciation, depletion and amortization related to the Tasiast and Chirano mines between September 17 and December 31, 2010. These increases were offset to some extent by a reduction in depreciation, depletion and amortization at Kupol as a result of lower gold equivalent ounces sold.

The increase in operating earnings in 2010 as compared with 2009 was largely a result of the impact of higher metal prices, which was offset by higher production cost of sales and other expenses.

Mineral Reserves [(1)]

Kinross' total estimated proven and probable mineral reserves at year-end 2011 were 62.6 million ounces of gold, a net increase of 0.2 million ounces compared with year-end 2010, net of 2011 production. Notable changes by site included additions of 1.1 million ounces at Dvoinoye; 0.7 million ounces at Fort Knox, due to the addition of heap leach production; and 0.5 million ounces at Kupol, due to the 25% increase in Kinross ownership. At Tasiast, there was no material change in mineral reserves, as a feasibility study for the expansion project has not yet been completed.

(1) For details concerning mineral reserve and mineral resource estimates refer to the Mineral Reserves and Mineral Resources tables and notes in the Company's press release filed with Canadian and U.S. regulators on February 15, 2012.

Proven and probable silver reserves at year-end 2011 were estimated at 84.9 million ounces, a net decrease of 6.0 million ounces compared with year-end 2010, as a result of depletion of 12.9 million ounces at La Coipa, partially offset by an addition of 5.6 million ounces at Kupol due to the 25% increase in Kinross ownership.

Proven and probable copper reserves at year-end 2011 were estimated at 1.4 billion pounds, unchanged from year-end 2010.

2. IMPACT OF KEY ECONOMIC TRENDS

Price of Gold - Five Year Price Performance



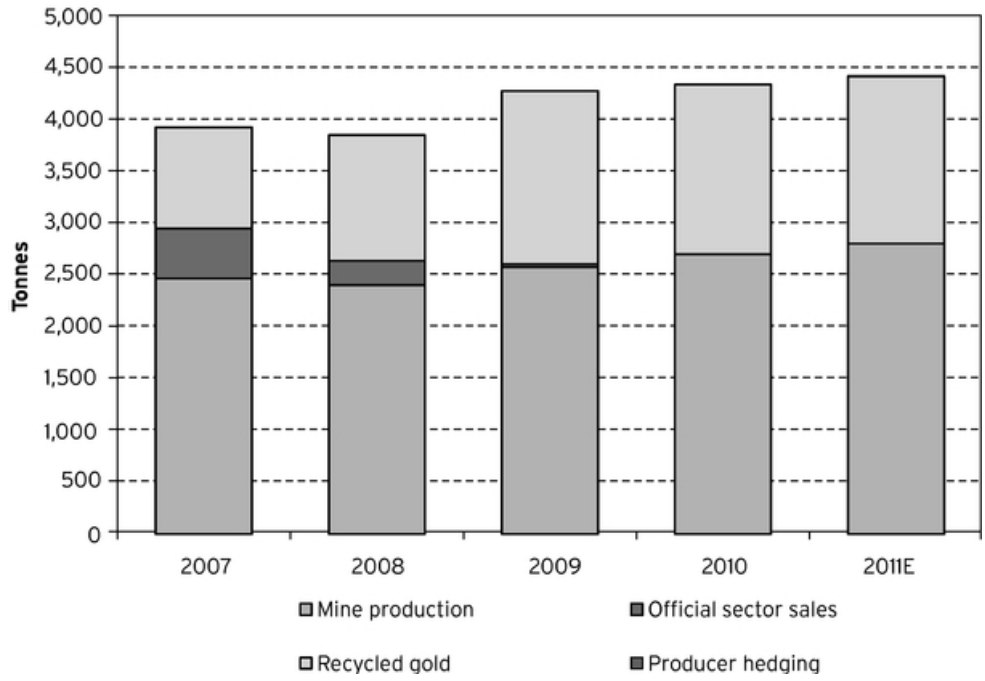
Source: Bloomberg

The price of gold is the largest single factor in determining profitability and cash flow from operations, therefore, the financial performance of the Company has been, and is expected to continue to be, closely linked to the price of gold. Historically, the price of gold has been subject to volatile price movements over short periods of time and is affected by numerous macroeconomic and industry factors that are beyond the Company's control. Major influences on the gold price include currency exchange rate fluctuations and the relative strength of the U.S. dollar, the supply of and demand for gold and macroeconomic factors such as the level of interest rates and inflation expectations. During 2011 the price of gold reached a new all-time high of approximately $1,921 per ounce. The low price for the year was $1,308 per ounce. The average price for the year based on the London PM Fix was $1,572 per ounce, a $347 increase over the 2010 average price of $1,225 per ounce. The major influences on the gold price during 2011 were strong investment/bar hoarding demand, continued acceleration in official sector purchases, and continuing uncertainty with respect to the global financial crisis, particularly in regards to European sovereign debt.

Source: London Bullion Marketing Association London PM Fix, Bloomberg, GFMS, Company records

Gold Supply and Demand Fundamentals

Gold Supply

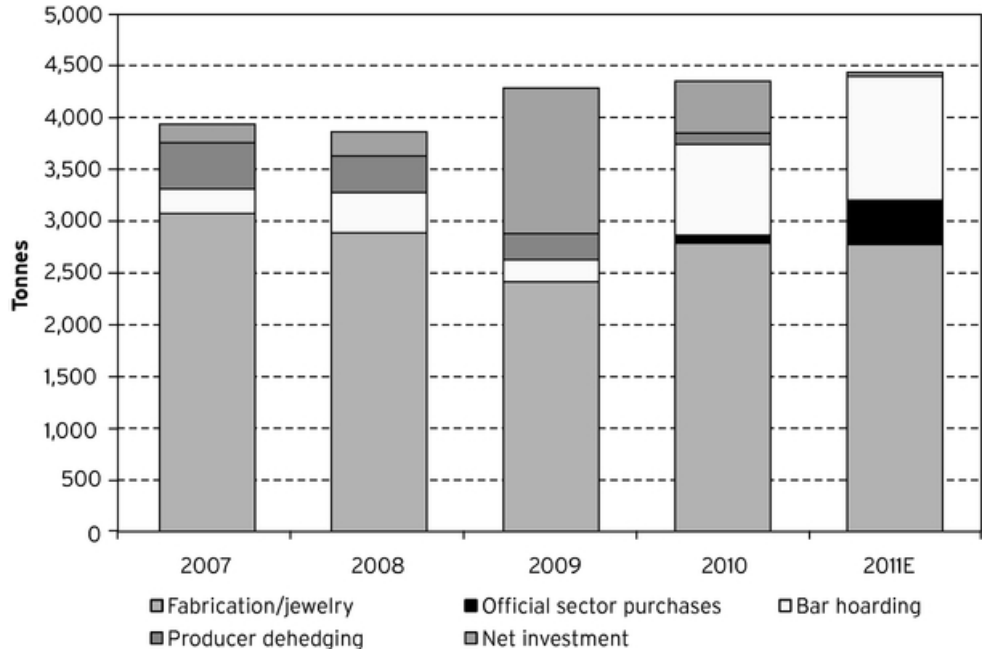


Source: GFMS Gold Survey 2011

Total gold supply increased approximately 2% in 2011 relative to 2010, with global gold mine production increasing 3.8% and recycled gold decreasing 1.8% from the prior year. The increase in gold production was largely driven by large projects coming into production. Although recycled gold supply decreased over 2010 levels, it remained a significant source of supply at more than 1,500 tonnes (representing 36% of total supply). High gold prices continue to encourage people to sell their unwanted jewellery and other items made of precious metals. Finally, after more than a decade of net producer de-hedging, net producer hedging was recorded in 2011 and contributed a small 12 tonnes of supply to the market (representing less than 1% of total supply). The hedge book additions were largely related to projects, expansions, and project financings.

Overall, the limited supply of gold to the market has been a positive influence on the price of gold, as mine supply growth has been partially offset by a reduction in recycled gold coming into market. For a second year in a row, central banks have not been net sellers of gold but have been net buyers, as noted below.

Gold Demand



Source: GFMS 2011 Gold Survey

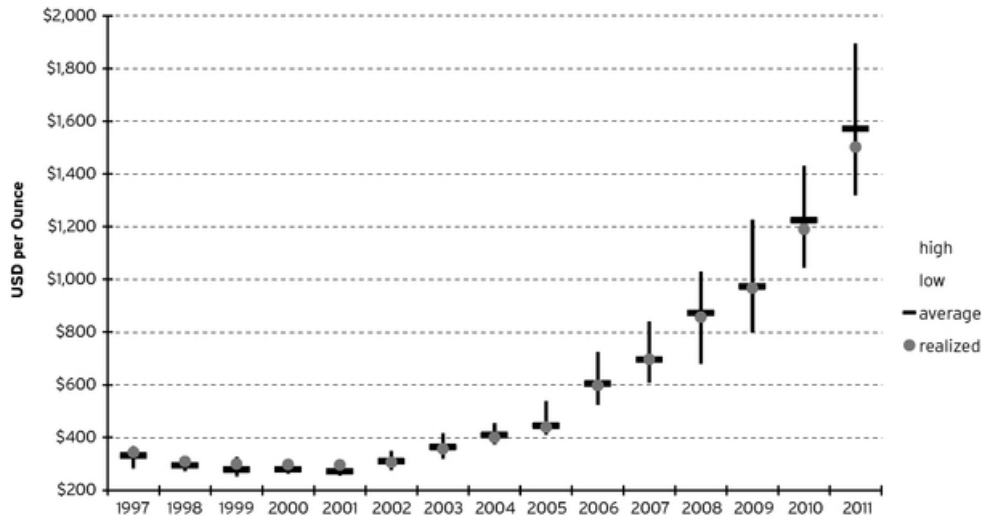
Overall demand increased approximately 2% in 2011. As the gold price continues to rise, particularly in many of the traditional gold market currencies such as the Indian rupee, fabrication demand is estimated to have decreased slightly in 2011 relative to 2010. The decrease largely occurred in Europe, India, and the Middle-East, offsetting a significant increase in the Chinese market. Bar hoarding demand grew strongly in 2011, while net producer de-hedging was not a source of demand as global hedge positions have been driven down to very low levels after years of producer de-hedging. Central banks, which had been net sellers of gold for several years until they became net buyers in 2010, continued to increase purchases which were up more than five fold in 2011 compared to 2010. This was primarily driven by very low sales by signatories to the Central Bank Gold Agreement and continued buying by central banks outside of the Central Bank Gold Agreement in order to diversify their foreign exchange holdings.

If gold prices remain high, and as the global economy continues to show signs of strain due to the European sovereign debt crisis, growth in fabrication and jewellery demand is expected to remain weak in the coming year. Central bank, investment demand and bar hoarding will have to increase to keep the market balanced.

The Company generally has a "no gold hedge" policy. However, the Company may acquire gold and/or silver hedge or derivative product obligations as a result of an acquisition or under financing arrangements. A hedge program can protect the Company against future declines in price and can prevent the Company from benefiting from future price increases.

As a result of the acquisition of Bema in 2007, the Company acquired a portfolio of hedge contracts for gold and silver related to the Kupol project financing. All outstanding gold and silver hedge contracts were closed out and early settled in 2011, although mark-to-market hedge losses incurred prior to the closeouts will continue to impact the first half of 2012.

Kinross' Realized Gold Price vs Average PM Fix



Source: London Bullion Marketing Association London PM Fix

During 2011, the Company realized an average gold price of $1,502 per ounce compared to the average spot gold price of $1,572 per ounce.

The variance arose mainly due to the Company's gold hedges that were acquired with the Bema acquisition, as they reduced the average price realized by $64 per ounce for the year ended December 31, 2011. The Company entered into offsetting gold purchase contracts in 2010 and in early 2011 to neutralize the impact of all remaining gold forward sales contracts, resulting in gold production being 100% exposed to spot gold price subsequent to dates these purchase contracts were entered into. During the third quarter of 2011, the Company closed out and early settled all outstanding gold forward sales and purchase contracts. Mark-to-market losses on those gold forward sales contracts incurred up to the dates the offsetting purchase contracts were entered into continued to impact metal sales (and the average realized gold price) during 2011 and will continue to do so during the first half of 2012. For the period from January 1, 2012 to June 30, 2012, these mark-to-market hedge losses will impact metal sales (and the average realized gold price) by a total amount of $48.7 million.

In addition, during 2011, the Company closed out and early settled all of its outstanding silver forward sales contracts, which were also acquired with the Bema acquisition.

Inflationary Cost Pressures

The Company's profitability has been impacted by industry-wide cost pressures on development and operating costs with respect to labour, energy and consumables in general. Since mining is generally an energy intensive activity, especially in open pit mining, energy prices can have a significant impact on operations. The cost of fuel as a percentage of operating costs varies amongst the Company's mines, with the majority of operations having experienced higher fuel costs resulting from the increase in global oil prices that occurred during 2011. Kinross continues to actively manage its exposure to energy costs by entering into various hedge positions - refer to Section 6 *Liquidity and Capital Resources* for details.

West Texas Intermediate Crude Oil Price History

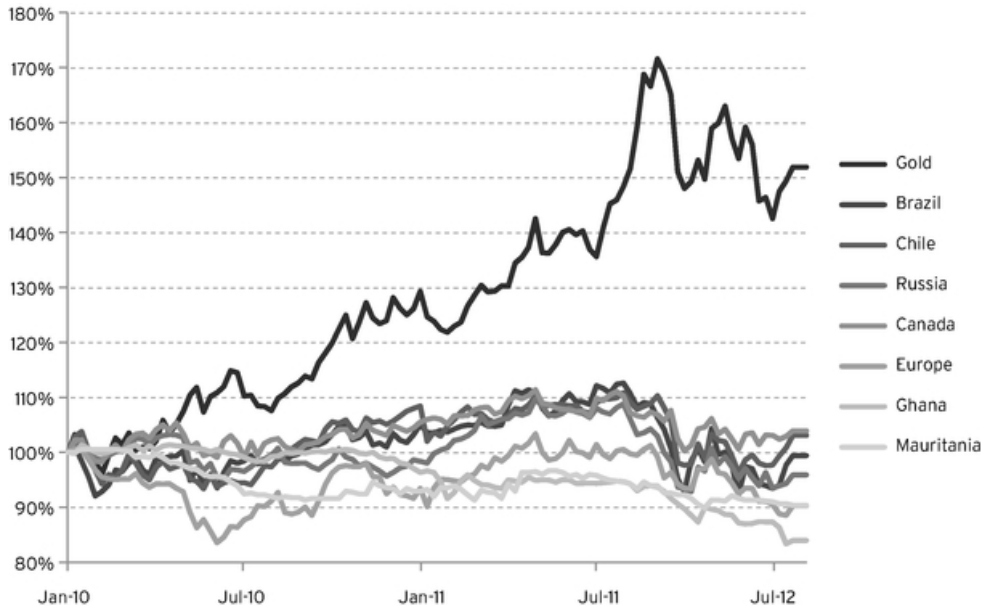


Source: Bloomberg

In order to mitigate the impact of higher consumable prices, the Company continues to focus on continuous improvement by extending the life of capital assets and promoting a more efficient use of materials and supplies in general.

Currency Fluctuations

Currency Exchange Rate Relative Performance Against U.S. Dollar



Source: Bloomberg

At the Company's non-U.S. mining operations and exploration activities, which are located in Brazil, Chile, Ecuador, Ghana, Mauritania, the Russian Federation, and Canada, a portion of operating costs and capital expenditures are denominated in their respective local currencies. Generally, as the U.S. dollar strengthens, these currencies weaken, and as the U.S. dollar weakens, these foreign currencies strengthen. These currencies were subject to high market volatility over the course of the year. Approximately 75% of the Company's expected attributable production in 2012 is forecast to come from operations outside the U.S. and costs will continue to be exposed to foreign exchange rate movements. In order to manage this risk, the Company uses currency hedges for certain foreign currency exposures - refer to Section 6 *Liquidity and Capital Resources* for details.

3. OUTLOOK

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the Cautionary Statement on Forward-Looking Information included with this MD&A and the risk factors set out in Section 11 - Risk Analysis.

Unless otherwise stated "attributable" production includes only Kinross' share of Chirano production (90%). Production cost of sales per attributable gold equivalent ounce is defined as production cost of sales as per the consolidated financial statements divided by the number of gold equivalent ounces sold, reduced for Chirano (10%) sales attributable to third parties.

Approximately 60%-70% of the Company's costs are denominated in US dollars.

A 10% change in foreign exchange could result in an approximate $5 impact in production cost per ounce [(2)].

(2) Refers to all of the currencies in the countries where the Company has mining operations, fluctuating simultaneously by 10% in the same direction, either appreciating or depreciating, taking into consideration the impact of hedging and the weighting of each currency within our consolidated cost structure.

A $10 per barrel change in the price of oil could result in an approximate $2 impact on production cost per ounce.

The impact on royalties of a $100 change in the gold price could result in an approximate $4 impact on production cost of sales per ounce.

In 2012, Kinross expects to produce approximately 2.6 to 2.8 million gold equivalent ounces from its current operations. Production cost of sales per gold equivalent ounce is expected to be in the range of $670 to $715 for 2012.

On a by-product accounting basis, Kinross expects to produce 2.5 to 2.6 million ounces of gold and 7.5 to 8.0 million ounces of silver at an average production cost of sales per gold ounce of approximately $620 to $665.

Material assumptions used to forecast 2012 production costs are: a gold price of $1,500 per ounce, a silver price of $30 per ounce, an oil price of $95 per barrel, and foreign exchange rates of 1.75 Brazilian real to the U.S. dollar, 1.00 Canadian dollar to the U.S. dollar, 30 Russian roubles to the U.S. dollar, 500 Chilean pesos to the U.S. dollar, 1.60 Ghanaian cedi to the U.S. dollar, 285 Mauritanian ouguiya to the U.S. dollar, and 1.35 US dollars to the euro. Taking into account existing currency and oil hedges respectively, a 10% change in foreign currency exchange rates would be expected to result in an approximate $5 impact on our cost of sales per ounce, a $10 per barrel change in the price of oil would be expected to result in an approximate $2 impact on our production costs per ounce, and a $100 change in the price of gold would be expected to result in an approximate $4 impact on our production costs per ounce as a result of a change in royalties.

Capital expenditures for 2012 are forecast to be approximately $2.2 billion. Of this amount, capital expenditures at existing operations are expected to be approximately $1.2 billion, with the remaining balance of approximately $1.0 billion related to growth projects, primarily for Tasiast.

The 2012 forecast for exploration and business development expenses is approximately $255 million, of which $185 million is forecast for exploration. Capitalized exploration is forecast to be $35 million, for total 2012 forecast exploration expenditures of $220 million.

Other operating costs for 2012 are forecast to be $70 million, of which $35 million are costs related to the Tasiast expansion that cannot be capitalized. General and administrative expense is forecast to be approximately $180 million. Included in the expenses listed above is approximately $50 million related to equity-based compensation.

The Company's tax rate in 2012 is forecast to be in the range of 31% to 37% and depreciation, depletion and amortization is forecast to be approximately $200 per gold equivalent ounce.

4. PROJECT UPDATE AND NEW DEVELOPMENTS

Capital and project optimization process

On January 16, 2012, Kinross announced that it had begun a comprehensive capital and project optimization process with the aim of improving capital efficiency and investment returns while re-sequencing its three major growth projects at Tasiast, Lobo-Marte, and Fruta del Norte ("FDN"). The following is an update on this process:

Capital allocation framework: Given the significant capital requirements to develop the Company's growth pipeline, and in light of industry-wide cost escalation in materials, labour, energy, engineering, and equipment, the Company is establishing more stringent parameters for capital allocation and project development.

The framework for total annual capital spending will be based on a conservative estimate of existing liquidity, cash flow availability, and gold price. The Company intends to focus on Tasiast as its top development priority, and extend the development timelines for FDN and Lobo-Marte. This is expected to result in lower capital expenditures than previously anticipated over the next several years.

Applying this framework to capital allocation in 2012, using current forecasts for production, cash flow, and gold price, the Company expects the following breakdown for capital expenditures and shareholder returns: approximately $1.2 billion for sustaining and development capital at existing operations, including several

expansion projects; approximately $180 million for direct shareholder returns, in the form of dividend payments; and approximately $1.0 billion for growth projects, compared with the previous guidance of $1.3 billion. Approximately $765 million of capital spending on growth projects in 2012 will be allocated to Tasiast.

Annual capital allocations for growth projects in future years may increase or decrease depending on gold price, projected cash flow, sustaining capital requirements, and projected dividend payments. Based on current forecasts and assumptions, the expected annual allocation for growth capital would be $1.0-1.5 billion for the next two to three years. In determining capital allocations, key objectives will continue to be maintaining liquidity and debt leverage at a level commensurate with an investment grade rating, and providing an appropriate return of capital to shareholders relative to the Company's growth profile.

Project sequencing and scheduling: Based on the parameters outlined above, the Company is continuing to analyze various development scenarios.

As noted above, the Tasiast expansion remains the Company's immediate strategic priority for growth and capital allocation. Kinross continues to assess the economics of a "mill-only" processing option for the Tasiast expansion as its base case, using updated mineral resource information from the 2011 infill drilling campaign. The Company is also studying alternative processing scenarios, including heap leaching, which requires additional column testing and analysis. Kinross expects to make a preliminary selection of a processing option at the end of the second quarter of 2012, and is targeting commencement of construction in mid-2013. Construction of a 60,000 tonne-per-day mill would be expected to take 25 to 28 months. Construction of a heap leach facility would be expected to take 18 to 20 months. In either case, the Company is targeting ramp-up of a new production facility at Tasiast in 2015. The construction timetable and production start dates are expected to be confirmed following completion of the expansion project feasibility study, expected in the first half of 2013.

Dvoinoye is the Company's next priority for development. The Dvoinoye project remains on schedule and on budget, with ore processing expected to commence in the second half of 2013.

Given the prioritization of Tasiast and Dvoinoye for capital allocation, Kinross is extending the project timelines for Lobo-Marte and FDN. At Lobo-Marte, the Company will use this additional time to complete permitting, further drilling at the Valy deposit, and study opportunities for project optimization. Approval of the Environmental Impact Assessment is targeted for the end of 2012, and completion of the project feasibility study is targeted for 2013.

At FDN, the Company is continuing its feasibility study work and has recommenced negotiations with the government of Ecuador on an enhanced economic package for developing the project. The Company expects to proceed with the project only when it is satisfied with the terms of the final exploitation and investment protection agreements and has made a positive decision to construct the mine following the completion of its feasibility study work. Kinross has advised the government that the Company will be exploring other options to lower future capital commitments to the project, including project financing, potential strategic partnerships, and lower-cost processing alternatives. The timing of the FDN feasibility study will depend on the successful conclusion of these negotiations.

Further development and timing decisions for Lobo-Marte and FDN will depend on a range of factors, including progress on development at Tasiast, projected capital and operating costs based on project feasibility studies, and market variables such as gold price.

Project organization and construction management: Building on the regionalization effort that has been implemented over the past year, the Projects and Operations teams have been consolidated under the leadership of Brant Hinze, Chief Operating Officer. The new structure unites Projects and Operations into a single team, and leverages the increased project management capacity which the Company has built at a regional level in order to improve efficiency and alignment in project management, and reduce the cost of outsourced engineering services. As part of this re-organization, Ken Thomas is transitioning from his position as Senior Vice-President, Projects, into a senior advisory role.

The project updates below contain details on additional activities underway on specific projects as part of the capital and project optimization process.

Growth projects at sites [3],[4]

(3) *The technical information about the Company's material mineral properties contained in this document (other than exploration activities) has been prepared under the supervision of, and verified and approved by, Mr. Rob Henderson, an officer of the Company who is a qualified person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Properties ("NI 43-101"). The Company's normal data verification procedures have been used in collecting, compiling, interpreting and processing the data presented.*

(4) The technical information about the Company's exploration activities contained in this document has been prepared under the supervision of, and verified and approved by, Dr. Glen Masterman, an officer of the Company who is a qualified person within the meaning of NI 43-101. The Company's normal data verification procedures have been used in collecting, compiling, interpreting and processing the data presented. Independent data verification has not been performed.

Tasiast expansion project

Results from 2011 drilling continue to confirm Kinross' confidence in Tasiast as a world-class gold deposit. M&I mineral resources at Tasiast increased compared with the update provided on August 10, 2011, as 2.1 million ounces were converted from inferred mineral resources. Overall M&I mineral resources at Tasiast increased by 9.0 million ounces compared with year-end 2010. As at year end 2011, proven and probable mineral reserves at Tasiast were 7.5 million gold ounces, measured and indicated mineral resources were 11.1 million gold ounces, and inferred mineral resources were 1.9 million gold ounces.

The initial phase of the expansion project at Tasiast is now complete, following construction of the West Branch dump leach and ADR (Adsorption, Desorption and Refining) facilities. Regarding the next phase of expansion, the Company continues to explore processing options at Tasiast with the objective of improving project economics and reducing overall project execution risk. In parallel with the project optimization process, work continues on basic infrastructure and pre-production development at Tasiast, which will be required regardless of the final mining and processing configuration at an expanded operation.

Exploration in 2012 will continue to apply Kinross' increasing knowledge of the geology of the Tasiast mineral resource to target new discoveries near the mine and in the district. To this end, Kinross commenced 2012 with 15 drill rigs, 12 of which are deployed for exploration along the mine corridor and to test high-quality geological, geochemical, and geophysical targets throughout the 80 kilometre greenstone belt. Three core rigs remain at West Branch to continue a metallurgical drilling program.

Review of 2011 drilling campaign: Drilling continued with nine core and eight reverse circulation ("RC") rigs in operation (264 holes for 105,315 metres) throughout the quarter. An aggregate total of 3,074 holes for 442,779 metres were drilled on the Tasiast properties in 2011. Mineral resource definition drilling was completed in the fourth quarter 2011.

Deep drilling continued between West Branch (Greenschist Zone) and Piment Sud Sud with five holes completed for 11,405 metres. No assays are currently available for the new drilling as the Superlab, commissioned in Q4 2011, was occupied to full capacity with samples from drill holes included in the year-end mineral resource update. It is expected to take approximately three to four months to receive results for the 100,000 exploration samples that remain in the analytical pipeline.

Fourth quarter drilling advanced at the C67 (11,813 metres), C69 (10,609 metres), and C6.12 (9,683 metres) targets. Near-surface sulfide mineralization has been identified over 1,200 strike metres at C67. Further drilling is being designed to test continuity of mineralized zones along strike and to target possible extensions at depth.

Overview of Tasiast ore body: Kinross' technical understanding of the Tasiast gold deposit has increased substantially as a result of the previous 15 months of drilling.

The deposit consists of a number of ore bodies hosted along eight strike kilometres of the Tasiast Shear Zone. Two main styles of mineralization are evident, each distinguished by the rocks hosting the gold mineralization. The low grade, Piment ore bodies (Sud-Sud, Sud-North, Central, North and Prolongation) are hosted by iron formation rocks weathered to variable depths that have created an undulating oxidation surface. The oxide mineral resource occurs above this surface and transitions to individual shoots of low grade sulfide ore below. A number of these shoots are open at depth.

The second style of gold mineralization, known as the Greenschist Zone, constitutes the bulk of mineral resources at Tasiast. This style of mineralization is characterized by sheeted gold-bearing quartz veins hosted by mafic rocks

in the core of the Tasiast antiform. The core of the Greenschist Zone contains the highest density of quartz veins where the rocks are most brittle. The more ductile rocks on the edge of the Greenschist Zone contain less veins. A close correlation between vein density and gold grades has been established by drilling and explains the presence of a high grade core surrounded by an envelope of lower grade gold mineralization.

Update on Tasiast project optimization: Analysis of data from infill drilling completed as of year-end 2011 at Tasiast indicates that lower-grade material may potentially be developed more economically with less capital by using heap leaching in combination with carbon-in-leach (CIL) milling. The Company continues to analyze the existing Tasiast mineral resource estimate (inclusive of mineral reserves) according to a potential split between CIL, dump leach and heap leach processing options, as illustrated by the estimates[5] below:

(5) *Mineral resources in the table are reported inclusive of mineral reserves and have an effective date of December 31, 2011. Mineral resources were classified in accordance with the 2010 CIM Definition Standards for Mineral Resources and Mineral Reserves, incorporated by reference into NI 43-101, and have reasonable prospects of economic extraction as required by and defined in the CIM Standards.*

(6) *Includes CIL >1 g/t Au.*

			Measured and Indicated Mineral Resource (includes Mineral Reserves)			Inferred Mineral Resource		
Material Type	Process Option	Gold cut-off grade (g/t)	Tonnes (kt)	Gold grade (g/t)	Gold ounces (koz)	Tonnes (kt)	Gold grade (g/t)	Gold ounces (koz)
Oxide	Dump Leach[6]	>0.1	59,304	0.47	898	8,954	0.33	94
Primary	Heap Leach	0.25-0.6	196,508	0.40	2,520	37,000	0.40	472
Primary	CIL	>0.6	276,287	1.71	15,146	32,263	1.25	1,294
Total			**532,098**	**1.09**	**18,564**	**78,217**	**0.74**	**1,860**

In determining reasonable prospects of economic extraction, the following criteria were used:

- Assessment of geological and grade continuity of mineralized material;
- Block classification into appropriate categories of measured, indicated and inferred mineral resources;
- Confinement of mineralized blocks within an optimized pit shell based on a gold price of US$1,400/oz less 5% gross royalty. Total volume of material within the pit is 3.2 billion tonnes;
- Conventional truck and shovel open pit mining with an average unit mining cost of 1.92/t mined;
- Processing with a combination of dump leaching, heap leaching and CIL milling;
- Geotechnical, metallurgical and mine design parameters based on test work and studies conducted in 2011.

A mineral resource reported cut-off grade of 0.1 g/t for the oxide dump leach is based on estimated dump leach process operating costs of $2.50/t, a general and administrative (G&A) plus sustaining cost estimate of $0.90/t and expected dump leach gold recoveries of 70% to 75% depending on lithology, in accordance with current mine operating budgets. A mineral resource reported cut-off grade of 0.25 g/t for a fine crush sulphide heap leach is based on current estimates for process operating costs of $4.70/t, a G&A plus sustaining cost estimate of $1.40/t and expected greenschist heap leach gold recovery of 62%. A mineral resource reported cut-over grade of 0.6 g/t for a new CIL plant is based on current estimates for process operating costs of $12.50/t, a G&A plus sustaining cost estimate of $4.60/t and expected CIL gold recovery of 90% to 93% depending on head grade. A higher cut-over grade would result in more tonnage reporting to the heap leach and less tonnage, but a higher grade, reporting to the CIL plant.

In 2011, SGS Lakefield and other testing organizations completed a confirmatory phase of metallurgical test work for grinding and CIL milling of the West Branch deposit. A total of 54 drill holes representing the main ore types up to 700 metres deep were sampled to provide 85 test composites. The test work confirmed low variability in the deposit, and a conventional CIL process using sea water is estimated to recover 90% to 93% of the gold for a typical range of feed grades. Process design criteria and equipment sizing have been established by standard metallurgical test work for grindability and abrasion, grind size, gold recovery, leaching kinetics and carbon loading, reagent consumption, slurry rheology and thickener sizing.

Heap leach metallurgical test work on Tasiast sulphide ores commenced in 2009 and a second phase of testwork in 2010 confirmed that fine crushing with high pressure grinding rolls (HPGRs) were beneficial for heap leaching. A

third phase of heap leach test work was completed in 2011 on West Branch drill core samples totalling 6.8 tonnes and representing the main ore types up to 150 metres deep. The samples were crushed via HPGR and tested in 57 heap leach columns. Average gold recovery for all of the samples was 63%. A fourth phase of column test work, which will use up to 15 tonnes of new samples, is continuing to test deeper material and low grade areas of the deposit, with emphasis on finalizing the optimum crush size, reagent consumption and recovery from each zone.

Update on site infrastructure and mine enhancements: Expansion of the existing camp continues to support an increasing operations and construction workforce, with a build-out to 3,000 beds scheduled for completion in the first quarter of 2012. Construction of Phase 1 and 2 of the permanent camp has been initiated, including accommodation for 3,500 which is expected to be complete in the second half of 2012. Work has been initiated on expanding site utilities to accommodate the large construction effort. Development of an interim water pipeline and wellfield is now underway, with contractors mobilized for both pipeline construction and well drilling. Additions to the site-based power supply totaling 20 megawatts have been purchased with installation at site expected in the fourth quarter of 2012. Infrastructure to support an expanding mining operation, including a truck shop, training centre, additional fuel storage and warehousing are all planned to proceed in 2012. All required permits are in place to support these ongoing activities.

Commissioning of the initial phase of the Tasiast mine expansion, the expansion of the dump leaching facilities and construction of the ADR plant, is now complete. The new facilities are expected to have a positive impact on 2012 production, with a total of 17 million tonnes of ore expected to be placed on the dump leach pads, compared with the 8.8 million tonnes mined and placed on pads in 2011. Gold production from dump leach operations is expected to increase by 280% from 48,000 ounces in 2011 to approximately 134,000 ounces in 2012. The ADR plant will also serve the expanded processing operation.

Update on procurement: Procurement of equipment for the expanding mining operation is continuing. Tasiast has taken delivery of 12 Caterpillar 793 haul trucks, three Caterpillar 6060 hydraulic shovels and four SKF-12 Reedrill blasthole drills to support the expanding pre-production development activities at West Branch. Tasiast is scheduled to take delivery of additional fleet components in 2012, including 12 Caterpillar 793 trucks, two Caterpillar 6060 hydraulic shovels, and a second grouping of four SKF-12 Reedrill blasthole drills. Support equipment for the truck and shovel fleet are also scheduled for delivery in 2012. The increase in equipment will be supported by hiring and training efforts to support an increase in annual mine production from the 50 Mt mined in 2011 to a forecast of 96 Mt in 2012.

In 2012, capital expenditures for equipment procurement, site development, pre-production mining and continued engineering are forecast to be approximately $765 million, focused on infrastructure which is expected to support any of the processing options currently being assessed.

Dvoinoye

Key project development activities at Dvoinoye continue to proceed on schedule. The processing of Dvoinoye ore remains on target to commence in the second half of 2013.

Approximately 1,320 metres of underground development have been completed as of the end of the fourth quarter 2011, versus 1,200 metres planned for the year. The second entry point to the mine, the West Portal, has been collared and additional mining equipment is being transported to site to meet the accelerated rate of development for 2012.

The truck shop and water storage buildings have been delivered to site. The permanent camp, key equipment and supplies for the 2012 construction program are currently being assembled in the port of Pevek for delivery to site during the 2012 winter road campaign. Earthworks and roads for site facilities, including the permanent camp, are largely complete. Concrete foundation work for the truck shop and water storage building are complete. Concrete foundations are in progress for the permanent camp and the diesel fuel tank farm. The administration and warehouse building has been procured and fuel and water storage tanks have been fabricated. The temporary man camp is being expanded in order to satisfy accommodation requirements during the construction period. Construction of the all-season road between Dvoinoye and Kupol has commenced and is progressing well.

Paracatu ball mills

Engineering on the fourth Paracatu ball mill was 99% complete and procurement was at 98% as of the end of the fourth quarter 2011. Construction progress was 41%, with both concrete and structural steel approximately 90% and 75% complete, respectively. Pre-assembly of the mill was complete, and ball mill installation commenced in January. The project is expected to be operational in the third quarter of 2012.

The new flash flotation gold recovery process for the first two ball mills and the desulphurization process at Paracatu have been commissioned, and both plants are now ramping up.

Maricunga SART plant

Construction of the Maricunga SART (Sulphidization, Acidification, Recycling and Thickening) plant was re-started in late November. The SART project is targeted for completion in the first half of 2012.

New developments

Fruta del Norte

Negotiations with the Ecuadorean government on an enhanced economic package at FDN continue, as described above. Permitting and development work at site will continue in 2012, including construction of the site access road, upgrading of the existing camp, advancing work on the exploration decline, and exploration drilling.

Lobo-Marte

As outlined above, as part of the capital optimization process, the timeline for the Lobo-Marte feasibility study is being extended, and is now targeted for completion in 2013. During this time, the Company will work on project optimization, including a reevaluation of various project configurations, flowsheets, execution strategies and development scenarios. This will include a review of opportunities to optimize development of the project as part of the Company's suite of assets in the Maricunga district, including opportunities for logistical efficiencies and consolidation of resources between operations. Permitting activities for Lobo-Marte continue, and approval of the Environmental Impact Assessment is targeted for the end of 2012. The Company is also viewing development of the Pompeya deposit at La Coipa as an important objective in the context of its Chilean development opportunities.

Recent transactions

Closure of $200.0 million Kupol project financing

On December 22, 2011, the Company announced that the $200.0 million non-recourse loan to Chukotka Mining and Geological Company ("CMGC") from a group of international financial institutions had been funded. The non-recourse loan carries a term of five years, with annual interest of LIBOR plus 2.5%.

Completion of $1.0 billion unsecured debt offering

On August 22, 2011, Kinross completed a $1.0 billion offering of debt securities, consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021 and $250.0 million principal amount of 6.875% senior notes due 2041 (collectively, the "notes"). The notes are senior unsecured obligations of the Company. Kinross received investment grade ratings with stable outlook from all three major rating agencies in connection with the offering. Kinross received net proceeds of $980.9 million from the offering, after discount, payment of the commissions of the initial purchasers and expenses of the offering.

Completion of share purchase agreement to acquire 100% of Kupol

On April 27, 2011, Kinross' 75%-owned subsidiary, CMGC completed the purchase from the State Unitary Enterprise of the Chukotka Autonomous Okrug, or ("CUE"), of the 2,292,348 shares of CMGC previously held by CUE, representing 25.01% of CMGC's outstanding share capital, for consideration of $335.4 million, including transaction costs.

As a result, Kinross now owns 100% of CMGC, consolidating the Company's ownership of Kupol and the Kupol East-West exploration licences in the Chukotka region of the Russian Federation. With the recently completed acquisitions of the Dvoinoye deposit and Vodorazdelnaya property, and the remaining interests in the Kupol East-West exploration licences, Kupol is now in a position to benefit fully from this prospective high-grade epithermal district.

Increase in the revolving credit facility

On March 31, 2011, the Company amended its unsecured revolving credit facility, increasing the available credit from $600 million to $1.2 billion.

Sale of Harry Winston Diamond Corporation shares

On March 23, 2011, the Company completed the sale of its approximate 8.5% equity interest in Harry Winston, consisting of approximately 7.1 million Harry Winston common shares, on an underwritten block trade basis, for net proceeds of $100.6 million. No cash income tax was payable as a result of the sale. On August 25, 2011, the Company collected a note receivable from Harry Winston in the amount of $70.0 million plus accrued interest, which was also part of the proceeds on the sale of the Company's Working Interest in Diavik in August 2010.

Other Developments

New Chief Financial Officer appointed

Kinross appointed Paul H. Barry as Executive Vice-President and Chief Financial Officer, effective April 4, 2011. Mr. Barry replaced Thomas M. Boehlert.

New Director appointed

The Board of Directors appointed Kenneth Irving as a Director, effective August 10, 2011.

5. CONSOLIDATED RESULTS OF OPERATIONS

(in millions, except ounces, per share amounts and gold price)	Year ended December 31, 2011	2010	2009 [c]	2011 vs 2010 Change	% Change [d]	2010 vs 2009 Change	% Change
Operating Statistics							
Total gold equivalent ounces [a]							
Produced [b]	2,702,573	2,527,695	2,470,042	174,878	7%	57,653	2%
Sold [b]	2,701,358	2,537,175	2,487,076	164,183	6%	50,099	2%
Attributable gold equivalent ounces [a]							
Produced [b]	2,610,373	2,334,104	2,238,665	276,269	12%	95,439	4%
Sold [b]	2,611,287	2,343,505	2,251,189	267,782	11%	92,316	4%
Gold ounces sold	2,425,946	2,352,044	2,277,721	73,902	3%	74,323	3%
Silver ounces sold (000's)	12,146	11,281	13,982	865	8%	(2,701)	(19%)
Average realized gold price ($/ounce)	$ 1,502	$ 1,191	$ 967	$ 311	26%	$ 224	23%
Financial Data							
Metal sales	$ 3,943.3	$ 3,010.1	$ 2,412.1	$ 933.2	31%	$ 598.0	25%
Production cost of sales	$ 1,596.4	$ 1,249.0	$ 1,047.1	$ 347.4	28%	$ 201.9	19%
Depreciation, depletion and amortization	$ 577.4	$ 551.5	$ 447.3	$ 25.9	5%	$ 104.2	23%
Impairment charges	$ 2,937.6	$ -	$ -	$ 2,937.6	nm	$ -	0%
Operating earnings (loss)	$ (1,542.5)	$ 648.9	$ 645.9	$ (2,191.4)	(338%)	$ 3.0	0%
Net earnings (loss) attributed to common shareholders	$ (2,073.6)	$ 759.7	$ 309.9	$ (2,833.3)	(373%)	$ 449.8	145%

(a) Total includes 100% of Kupol and Chirano production. "Attributable" includes Kinross' share of Kupol (75% up to April 27, 2011, 100% thereafter) and Chirano (90%) production.

(b) Gold equivalent ounces include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each year. The ratios were: 2011 - 44.65:1, 2010 - 60.87:1, and 2009 - 66.97:1.

(c) 2009 information has not been restated to conform with IFRS and is presented in accordance with Canadian generally accepted accounting principles.

(d) "nm" means not meaningful.

Operating Earnings (Loss) by Segment

(in millions)	Year ended December 31, 2011	2010	2009 [d]	2011 vs 2010 Change	% Change [e]	2010 vs 2009 Change	% Change [e]
Operating segments							
Fort Knox	$ 189.1	$ 178.4	$ 80.4	$ 10.7	6%	$ 98.0	122%
Round Mountain	135.6	91.7	84.1	43.9	48%	7.6	9%
Kettle River-Buckhorn	115.1	79.6	58.6	35.5	45%	21.0	36%
Kupol [a]	379.8	386.8	442.5	(7.0)	(2%)	(55.7)	(13%)
Paracatu	316.1	271.1	41.7	45.0	17%	229.4	nm
Crixás	33.0	38.7	25.9	(5.7)	(15%)	12.8	49%
La Coipa	67.9	67.1	42.3	0.8	1%	24.8	59%
Maricunga	239.2	54.7	83.2	184.5	337%	(28.5)	(34%)
Tasiast [b]	(2,420.0)	(14.5)	-	(2,405.5)	nm	(14.5)	nm
Chirano [b]	(316.6)	16.1	-	(332.7)	nm	16.1	nm
Non-operating segments							
Fruta del Norte	(4.1)	(293.4)	(26.0)	289.3	99%	(267.4)	nm
Corporate and Other [c]	(277.6)	(227.4)	(186.8)	(50.2)	(22%)	(40.6)	(22%)
Total	$ (1,542.5)	$ 648.9	$ 645.9	$ (2,191.4)	(338%)	$ 3.0	0%

(a) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

(b) The Tasiast and Chirano mines were acquired with the acquisition of Red Back on September 17, 2010.

(c) "Corporate and Other" includes operating costs which are not directly related to individual mining properties such as general and administrative expenditures, gains and losses on disposal of assets and investments, and other costs relating to non-operating assets (Lobo-Marte and White Gold).

(d) 2009 information has not been restated to conform with IFRS and is presented in accordance with Canadian generally accepted accounting principles.

(e) "nm" means not meaningful.

Mining operations

Fort Knox (100% ownership and operator) - USA

	Year ended December 31, **2011**	2010	**Change**	**% Change [c]**
Operating Statistics				
Tonnes ore mined (000's)	**8,036**	19,790	**(11,754)**	**(59%)**
Tonnes processed (000's) [a]	**31,078**	25,735	**5,342**	**21%**
Grade (grams/tonne) [b]	**0.56**	0.79	**(0.23)**	**(29%)**
Recovery [b]	**78.1%**	79.9%	**(1.8%)**	**(2%)**
Gold equivalent ounces:				
Produced	**289,794**	349,729	**(59,935)**	**(17%)**
Sold	**287,519**	349,460	**(61,941)**	**(18%)**
Financial Data (in millions)				
Metal sales	**$ 454.0**	$ 432.9	**$ 21.1**	**5%**
Production cost of sales	**199.1**	189.6	**9.5**	**5%**
Depreciation, depletion and amortization	**57.6**	61.9	**(4.3)**	**(7%)**
	197.3	181.4	**15.9**	**9%**
Exploration and business development	**6.9**	3.0	**3.9**	**130%**
Other	**1.3**	-	**1.3**	**nm**
Segment operating earnings	**$ 189.1**	$ 178.4	**$ 10.7**	**6%**

(a) Includes 17,575,000 tonnes placed on the heap leach pad during 2011 compared with 12,528,000 tonnes placed on the heap leach pad during 2010.

(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pad had an average grade of 0.33 grams per tonne during 2011. Ore placed on the heap leach pad had an average grade of 0.28 grams per tonne during 2010. Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

(c) "nm" means not meaningful.

The Company has been operating the Fort Knox mine, located near Fairbanks, Alaska, since it was acquired in 1998.

2011 vs. 2010

Tonnes of ore mined decreased by 59%, tonnes of ore processed increased by 21%, and grade and recovery declined in 2011 compared with 2010 due to a planned shift from mined ore to lower grade stockpiled ore. Gold equivalent ounces produced were 17% lower in 2011 compared with 2010 despite the increase in processing as the reliance on lower grade stockpile ore increased in 2011.

Metal sales in 2011 were 5% higher than in 2010 due to increased metal prices realized, offset to some extent by a 18% decline in gold equivalent ounces sold. Production cost of sales were higher during 2011 compared with 2010, largely due to higher unit cost as a result of processing a higher volume of lower grade stockpile ore and higher diesel and electricity costs. Depreciation, depletion and amortization during 2011 was 7% lower compared to 2010, due largely to the decline in gold equivalent ounces sold although this was partially offset by the impact of higher depreciable assets in 2011 compared to 2010.

Round Mountain (50% ownership and operator; Barrick 50% ownership) - USA

	Year ended December 31,			
	2011	2010	**Change**	**% Change [c]**
Operating Statistics [b]				
Tonnes ore mined (000's) [a]	**27,334**	23,218	**4,116**	**18%**
Tonnes processed (000's) [a]	**31,030**	30,348	**682**	**2%**
Grade (grams/tonne) [b]	**0.96**	1.02	**(0.06)**	**(6%)**
Gold equivalent ounces:				
Produced	**187,444**	184,554	**2,890**	**2%**
Sold	**185,385**	184,503	**882**	**0%**
Financial Data (in millions)				
Metal sales	**$ 295.0**	$ 227.5	**$ 67.5**	**30%**
Production cost of sales	**129.2**	115.4	**13.8**	**12%**
Depreciation, depletion and amortization	**28.7**	20.0	**8.7**	**44%**
	137.1	92.1	**45.0**	**49%**
Exploration and business development	**0.6**	0.7	**(0.1)**	**(14%)**
Other	**0.9**	(0.3)	**1.2**	**nm**
Segment operating earnings	**$ 135.6**	$ 91.7	**$ 43.9**	**48%**

(a) Tonnes of ore mined/processed represent 100%. Includes 28,189,000 tonnes placed on the heap leach pad during 2011 compared with 26,791,000 tonnes placed on the heap leach pad during 2010.

(b) The presentation has been amended to reflect mill grade only, with heap leach grade shown separately below, rather than a blended rate for mill and heap leach grades. Ore placed on the heap leach pad had an average of 0.43 grams per tonne during both 2011 and 2010. Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

(c) "nm" means not meaningful.

The Company acquired its ownership interest in the Round Mountain open pit mine, located in Nye County, Nevada, with the acquisition of Echo Bay Mines Ltd. ("Echo Bay") on January 31, 2003.

2011 vs. 2010

Tonnes of ore mined during 2011 were 18% higher than in 2010 due to mine sequencing and pit wall stability issues during 2010. Gold grades and gold equivalent ounces produced during 2011 were in line with 2010.

Metal sales in 2011 were 30% higher compared with 2010 due to higher metal prices realized. Production cost of sales increased by $13.8 million, or 12%, compared with 2010 due primarily to higher diesel fuel, contractor, cyanide and lime costs. Depreciation, depletion and amortization was 44% higher than in 2010 primarily due to amortization associated with two new mine phases and machinery and equipment additions.

Kettle River–Buckhorn (100% ownership and operator) - USA

	Year ended December 31,			
	2011	2010	**Change**	**% Change**
Operating Statistics				
Tonnes ore mined (000's)	**450**	438	**12**	**3%**
Tonnes processed (000's)	**443**	436	**7**	**2%**
Grade (grams/tonne)	**13.77**	16.21	**(2.44)**	**(15%)**
Recovery	**89.2%**	88.8%	**0.4%**	**0%**
Gold equivalent ounces:				
Produced	**175,292**	198,810	**(23,518)**	**(12%)**
Sold	**178,269**	196,282	**(18,013)**	**(9%)**
Financial Data (in millions)				
Metal sales	**$ 279.4**	$ 242.6	**$ 36.8**	**15%**
Production cost of sales	**74.9**	64.7	**10.2**	**16%**
Depreciation, depletion and amortization	**80.9**	93.8	**(12.9)**	**(14%)**
	123.6	84.1	**39.5**	**47%**
Exploration and business development	**8.9**	7.1	**1.8**	**25%**
Other	**(0.4)**	(2.6)	**2.2**	**85%**
Segment operating earnings	**$ 115.1**	$ 79.6	**$ 35.5**	**45%**

The Kettle River–Buckhorn properties are located in Ferry County in the State of Washington and cover approximately 3,075 hectares through patented and unpatented mining claims and fee lands. Kinross acquired Kettle River through the acquisition of Echo Bay on January 31, 2003.

2011 vs. 2010

Tonnes of ore mined and processed in 2011 increased by 3% and 2%, respectively, compared with 2010. Gold grades were 15% lower in 2011 compared with 2010 due to planned mine sequencing. Gold equivalent ounces produced in 2011 were 12% lower than in 2010 due to lower grades which more than offset the impact of the increase in tonnes processed. Gold equivalent ounces sold exceeded production due to timing of shipments.

Metal sales during 2011 increased by 15% compared with 2010 mainly due to an increase in metal prices realized which more than offset a 9% decline in gold equivalent ounces sold. Production cost of sales increased by 16% in 2011 compared with 2010 due to increases in contractor, maintenance and labour costs. Depreciation, depletion and amortization was 14% lower than in 2010 primarily reflecting the decrease in gold equivalent ounces sold.

Kupol (100% ownership and operator) - Russian Federation [a]

	Year ended December 31,			
	2011 [d]	2010 [d]	**Change**	**% Change**
Operating Statistics				
Tonnes ore mined (000's) [b]	**1,287**	1,331	**(44)**	**(3%)**
Tonnes processed (000's) [b]	**1,238**	1,163	**75**	**6%**
Grade (grams/tonne):				
Gold	**13.37**	18.04	**(4.67)**	**(26%)**
Silver	**195.31**	217.00	**(21.69)**	**(10%)**
Recovery:				
Gold	**93.8%**	94.6%	**(0.8%)**	**(1%)**
Silver	**83.9%**	83.7%	**0.2%**	**0%**
Gold equivalent ounces: [b],[c]				
Produced	**653,063**	738,677	**(85,614)**	**(12%)**
Sold	**655,325**	740,566	**(85,241)**	**(12%)**
Silver ounces: [b]				
Produced (000's)	**6,590**	6,672	**(82)**	**(1%)**
Sold (000's)	**6,740**	6,573	**167**	**3%**
Financial Data (in millions)				
Metal sales	**$ 761.1**	$ 781.8	**$ (20.7)**	**(3%)**
Production cost of sales	**247.8**	236.2	**11.6**	**5%**
Depreciation, depletion and amortization	**123.5**	154.9	**(31.4)**	**(20%)**
	389.8	390.7	**(0.9)**	**(0%)**
Exploration and business development	**8.9**	2.8	**6.1**	**218%**
Other	**1.1**	1.1	**-**	**(0%)**
Segment operating earnings	**$ 379.8**	$ 386.8	**$ (7.0)**	**(2%)**

(a) As of April 27, 2011, Kinross increased its ownership in Kupol from 75% to 100%.

(b) Tonnes of ore mined/processed, production and sales represents 100%.

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each year. The ratios were: 2011 - 44.65:1, 2010 - 60.87:1.

(d) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

The Company acquired a 75% interest in the Kupol project in Far Eastern Russia on February 27, 2007 through the acquisition of Bema. The remaining 25% interest was acquired from the CUE on April 27, 2011.

2011 vs. 2010

Tonnes of ore mined were 3% lower in 2011 compared with 2010 largely due to the completion of open pit mining during 2011. Improved mill throughputs increased the tonnes of ore processed during 2011 by 75,000 tonnes or 6% compared with 2010. Gold grades were 26% lower than in 2010 due to planned mine sequencing. Gold equivalent ounces produced declined by 12% compared with 2010 due to the lower gold grade, offset to some degree by increased processing and a more favourable gold equivalent ratio than in 2010.

Metal sales during 2011 declined by 3% compared with 2010 as a result of lower gold equivalent ounces sold, offset to some extent by higher metal prices realized. Production cost of sales increased by 5% compared with 2010 due largely to increases in royalties and labour costs. Depreciation, depletion and amortization was lower due to an increase in reserves at December 31, 2010 and lower gold equivalent ounces sold.

Paracatu (100% ownership and operator) - Brazil

	Year ended December 31,			
	2011	2010	**Change**	**% Change [(a)]**
Operating Statistics				
Tonnes ore mined (000's)	**44,434**	44,902	**(468)**	**(1%)**
Tonnes processed (000's)	**44,532**	42,658	**1,874**	**4%**
Grade (grams/tonne)	**0.42**	0.45	**(0.03)**	**(7%)**
Recovery	**75.2%**	77.5%	**(2.3%)**	**(3%)**
Gold equivalent ounces:				
Produced	**453,396**	482,397	**(29,001)**	**(6%)**
Sold	**449,605**	487,877	**(38,272)**	**(8%)**
Financial Data (in millions)				
Metal sales	**$ 709.7**	$ 597.8	**$ 111.9**	**19%**
Production cost of sales	**323.9**	261.0	**62.9**	**24%**
Depreciation, depletion and amortization	**60.7**	63.1	**(2.4)**	**(4%)**
	325.1	273.7	**51.4**	**19%**
Exploration and business development	**0.1**	-	**0.1**	**nm**
Other	**8.9**	2.6	**6.3**	**242%**
Segment operating earnings	**$ 316.1**	$ 271.1	**$ 45.0**	**17%**

(a) "nm" means not meaningful.

The Company acquired a 49% ownership interest in the Paracatu open pit mine, located in the State of Minas Gerais, Brazil, in the acquisition of TVX Gold Inc. ("TVX") on January 31, 2003. On December 31, 2004, the Company completed the purchase of the remaining 51% of Paracatu from Rio Tinto Plc.

2011 vs. 2010

Tonnes of ore mined in 2011 were marginally lower compared with 2010, due to a higher volume of waste. The increased processing capacity provided by the third ball mill increased the tonnes of ore processed during 2011 compared with 2010, which was offset to some degree by the temporary disruption to operations in the fourth quarter of 2011 as described below. In addition, gold grades were 7% lower in 2011 compared with 2010 due to planned mine sequencing, which in turn resulted in lower recoveries in 2011 compared with 2010. Gold equivalent ounces produced and sold were lower than in 2010 due to the above mentioned decline in grades and recoveries.

Metal sales were 19% higher in 2011 compared with 2010 due to an increase in metal prices realized, offset to some degree by the 8% decline in gold equivalent ounces sold. Production cost of sales increased by 24% in 2011 compared with 2010 due primarily to higher power, labour and contractor costs. Depreciation, depletion and amortization was 4% lower than in 2010 largely due to the decline in gold equivalent ounces sold.

Paracatu's Plant 2, which was temporarily shut down in late October 2011 to address an electrical malfunction affecting the SAG mill motor, resumed operations in November 2011.

Crixás (50% ownership; AngloGold Ashanti 50% ownership and operator) - Brazil

	Year ended December 31,			
	2011	2010	**Change**	**% Change [b]**
Operating Statistics				
Tonnes ore mined (000's) [a]	**1,212**	1,132	**80**	**7%**
Tonnes processed (000's) [a]	**1,170**	1,132	**38**	**3%**
Grade (grams/tonne)	**3.81**	4.40	**(0.59)**	**(13%)**
Recovery	**92.7%**	93.3%	**(0.6%)**	**(1%)**
Gold equivalent ounces:				
Produced	**66,583**	74,777	**(8,194)**	**(11%)**
Sold	**63,757**	77,156	**(13,399)**	**(17%)**
Financial Data (in millions)				
Metal sales	**$ 100.8**	$ 94.7	**$ 6.1**	**6%**
Production cost of sales	**50.3**	37.5	**12.8**	**34%**
Depreciation, depletion and amortization	**13.3**	18.1	**(4.8)**	**(27%)**
	37.2	39.1	**(1.9)**	**(5%)**
Exploration and business development	**1.9**	0.1	**1.8**	**nm**
Other	**2.3**	0.3	**2.0**	**nm**
Segment operating earnings	**$ 33.0**	$ 38.7	**$ (5.7)**	**(15%)**

(a) Tonnes of ore mined/processed represents 100% of mine production.

(b) "nm" means not meaningful.

The Company acquired its ownership interest in the Crixás underground mine, located in the State of Goias, Brazil, with the acquisition of TVX on January 31, 2003.

2011 vs. 2010

Tonnes of ore mined and processed during 2011 were higher than in 2010 and in line with the mine plan. Gold grades were 13% lower in 2011 than in 2010 due to mine sequencing. Gold equivalent ounces produced in 2011 were 11% lower than in 2010 due largely to the corresponding decline in gold grades.

Metal sales in 2011 were 6% higher than in 2010 due to higher metal prices realized which more than offset the lower gold equivalent ounces sold. Production cost of sales increased by 34% in 2011 compared with 2010 due primarily to higher power, maintenance and labour costs. Depreciation, depletion and amortization decreased in line with the corresponding decline in gold equivalent ounces sold and increase in reserves.

La Coipa (100% ownership and operator) - Chile

	Year ended December 31,			
	2011	2010	**Change**	**% Change [b]**
Operating Statistics				
Tonnes ore mined (000's)	**2,137**	3,985	**(1,848)**	**(46%)**
Tonnes processed (000's)	**4,278**	4,445	**(167)**	**(4%)**
Grade (grams/tonne):				
Gold	**0.71**	1.14	**(0.43)**	**(38%)**
Silver	**64.02**	50.43	**13.59**	**27%**
Recovery:				
Gold	**78.7%**	79.0%	**(0.3%)**	**(0%)**
Silver	**51.2%**	58.8%	**(7.6%)**	**(13%)**
Gold equivalent ounces: [a]				
Produced	**178,287**	196,330	**(18,043)**	**(9%)**
Sold	**191,032**	203,626	**(12,594)**	**(6%)**
Silver ounces:				
Produced (000's)	**4,520**	4,154	**366**	**9%**
Sold (000's)	**4,760**	4,078	**682**	**17%**
Financial Data (in millions)				
Metal sales	**$ 255.4**	$ 250.5	**$ 4.9**	**2%**
Production cost of sales	**145.5**	132.0	**13.5**	**10%**
Depreciation, depletion and amortization	**28.5**	47.6	**(19.1)**	**(40%)**
	81.4	70.9	**10.5**	**15%**
Exploration and business development	**9.2**	3.6	**5.6**	**156%**
Other	**4.3**	0.2	**4.1**	**nm**
Segment operating earnings	**$ 67.9**	$ 67.1	**$ 0.8**	**1%**

(a) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each year. The ratios were: 2011 - 44.65:1, 2010 - 60.87:1.

(b) "nm" means not meaningful.

The Company acquired its original 50% ownership interest in the La Coipa open pit mine in the acquisition of TVX on January 31, 2003. On December 21, 2007 the Company completed an asset Purchase and Sale Agreement with Goldcorp whereby the interests in the PJV and Musselwhite mines were sold and the remaining 50% interest in La Coipa was acquired. Included in the results of La Coipa is its 65% interest in the Puren deposit.

2011 vs. 2010

Tonnes of ore mined were lower by 46% in 2011 compared with 2010 due to mine sequencing, planned reliance on lower grade stockpiles, and a change in ore pit sourcing. Tonnes of ore processed decreased by 4% compared with 2010 due to the decline in ore mined, offset by increased processing of stockpiled ore, which led to grade and recovery variances compared to 2010. Gold equivalent ounces produced were lower in 2011 by 9% compared with 2010 due primarily to the lower gold grade, offset to some extent by a combination of a more favourable gold equivalent ratio and increased silver production. Gold equivalent ounces sold exceeded production due to timing of shipments as shipments that were produced at the end of 2010 were sold during 2011.

Metal sales in 2011 were 2% higher compared with 2010 due to an increase in metal prices realized offset to a large extent by the decrease in gold equivalent ounces sold. Production cost of sales in 2011 increased by 10% compared with 2010 due to higher input costs primarily relating to power, diesel fuel, and labour. Depreciation, depletion and amortization in 2011 was 40% lower primarily due to the decrease in gold equivalent ounces sold.

Maricunga (100% ownership and operator) - Chile

	Year ended December 31,			
	2011	2010	**Change**	**% Change [b]**
Operating Statistics [a]				
Tonnes ore mined (000's)	**15,394**	14,929	**465**	**3%**
Tonnes processed (000's)	**15,258**	14,267	**991**	**7%**
Grade (grams/tonne)	**0.82**	0.77	**0.05**	**7%**
Gold equivalent ounces:				
Produced	**236,249**	156,590	**79,659**	**51%**
Sold	**230,828**	155,320	**75,508**	**49%**
Financial Data (in millions)				
Metal sales	**$ 364.7**	$ 187.5	**$ 177.2**	**95%**
Production cost of sales	**105.5**	115.9	**(10.4)**	**(9%)**
Depreciation, depletion and amortization	**19.2**	15.3	**3.9**	**25%**
	240.0	56.3	**183.7**	**326%**
Exploration and business development	**0.3**	-	**0.3**	**nm**
Other	**0.5**	1.6	**(1.1)**	**(69%)**
Segment operating earnings	**$ 239.2**	$ 54.7	**$ 184.5**	**337%**

(a) Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

(b) "nm" means not meaningful.

Kinross acquired its original 50% interest in the Maricunga open pit mine (formerly known as the Refugio mine), located 120 kilometres northeast of Copiapó, Chile in 1998. On February 27, 2007, Kinross acquired the remaining 50% interest in Maricunga through the acquisition of Bema.

2011 vs. 2010

Tonnes of ore mined and processed were 3% and 7% higher, respectively, compared with 2010 due to sequencing per the mine plan and improved equipment utilization rates. Gold equivalent ounces produced increased by 51% due primarily to higher recoveries, tonnes processed, and gold grades.

Metal sales increased by 95% in 2011 compared with 2010. Higher gold equivalent ounces sold accounted for 49% of the total $177.2 million increase, with the remainder attributable to an increase in metal prices realized. Production cost of sales were lower than in 2010 despite higher gold equivalent ounces sold due to lower unit costs resulting from higher grade ore processed. Depreciation, depletion and amortization increased by 25% primarily due to the increase in gold equivalent ounces sold.

Tasiast (100% ownership and operator) - Mauritania

	Year ended December 31,			
	2011	2010	**Change**	**% Change [c]**
Operating Statistics				
Tonnes ore mined (000's)	**11,836**	2,197	**9,639**	**nm**
Tonnes processed (000's) [a]	**11,454**	2,059	**9,395**	**nm**
Grade (grams/tonne) [b]	**2.02**	2.33	**(0.31)**	**(13%)**
Recovery [b]	**88.4%**	86.7%	**1.7%**	**2%**
Gold equivalent ounces:				
Produced	**200,619**	56,611	**144,008**	**nm**
Sold	**196,961**	57,097	**139,864**	**nm**
Financial Data (in millions)				
Metal sales	**$ 308.9**	$ 78.0	**$ 230.9**	**nm**
Production cost of sales	**138.2**	45.1	**93.1**	**nm**
Depreciation, depletion and amortization	**63.5**	24.0	**39.5**	**nm**
Impairment charges	**2,490.1**	-	**2,490.1**	**nm**
	(2,382.9)	8.9	**(2,391.8)**	**nm**
Exploration and business development	**24.8**	23.2	**1.6**	**nm**
Other	**12.3**	0.2	**12.1**	**nm**
Segment operating loss	**$ (2,420.0)**	$ (14.5)	**$ (2,405.5)**	**nm**

(a) Includes 8,845,000 tonnes placed on the dump leach pad during 2011 compared with 1,540,000 tonnes placed on the dump leach pad during 2010.

(b) Amount represents mill grade and recovery only. Ore placed on the dump leach pad had an average grade of 0.59 grams per tonne during 2011 and 0.64 grams per tonne during 2010. Due to the nature of dump leach operations, point-in-time recovery rates are not meaningful.

(c) "nm" means not meaningful. The significant increases in production statistics and financial data are due to the inclusion of a full year of results in 2011 compared with 106 days in 2010.

On September 17, 2010, Kinross acquired all of the outstanding common shares of Red Back that it did not previously own. As this purchase was a business acquisition with Kinross as the acquirer, results of operations of Red Back, including those of the Tasiast open pit mine, have been consolidated with those of Kinross commencing on September 17, 2010. The significant increases in production statistics and financial data are due to the inclusion of a full year of results in 2011 compared with 106 days in 2010.

Year ended December 31, 2011

During 2011, ore mined and processed amounted to 11,836,000 and 11,454,000 tonnes, respectively. Tasiast produced 200,619 gold equivalent ounces, while selling 196,961 gold equivalent ounces during the year. Gold was milled at an average grade of 2.02 grams per tonne.

The Company recorded a goodwill impairment charge of $2,490.1 million during the year ended December 31, 2011 as a result of changes in market conditions, including industry-wide increases in capital and operating costs, a decline in industry-wide valuations as at year-end, and the Company's growing understanding of the Tasiast project parameters, including its analysis of a draft mine plan.

Metal sales of $308.9 million, net of production cost of sales, depreciation, depletion and amortization, the impairment charge, exploration and business development, and other expenses, resulted in an operating loss of $2,420.0 million for 2011. Kinross' continuation of the planned post-acquisition ramp up in exploration and business development costs resulted in $24.8 million being spent during 2011. The amortization of the acquisition date inventory fair value adjustment resulted in a charge of of $12.9 million recorded in 2011 production cost of sales.

Chirano (90% ownership and operator) - Ghana

	Year ended December 31,			
	2011	2010	**Change**	**% Change [b]**
Operating Statistics				
Tonnes ore mined (000's) [a]	**3,893**	1,308	**2,585**	**nm**
Tonnes processed (000's) [a]	**3,572**	1,142	**2,430**	**nm**
Grade (grams/tonne)	**2.47**	2.74	**(0.27)**	**(10%)**
Recovery	**91.6%**	91.3%	**0.3%**	**0%**
Gold equivalent ounces: [a]				
Produced	**261,846**	89,220	**172,626**	**nm**
Sold	**262,677**	85,288	**177,389**	**nm**
Financial Data (in millions)				
Metal sales	**$ 414.3**	$ 116.8	**$ 297.5**	**nm**
Production cost of sales	**182.0**	51.6	**130.4**	**nm**
Depreciation, depletion and amortization	**95.5**	48.0	**47.5**	**nm**
Impairment charges	**447.5**	-	**447.5**	**nm**
	(310.7)	17.2	**(327.9)**	**nm**
Exploration and business development	**4.7**	0.9	**3.8**	**nm**
Other	**1.2**	0.2	**1.0**	**nm**
Segment operating earnings (loss)	**$ (316.6)**	$ 16.1	**$ (332.7)**	**nm**

(a) Tonnes of ore mined/processed, production and sales represents 100%.

(b) "nm" means not meaningful. The significant increases in production statistics and financial data are due to the inclusion of a full year of results in 2011 compared with 106 days in 2010.

On September 17, 2010, Kinross acquired all of the outstanding common shares of Red Back that it did not previously own. As this purchase was a business acquisition with Kinross as the acquirer, results of operations of Red Back, including those of the Chirano open pit and underground mine, have been consolidated with those of Kinross commencing on September 17, 2010. The significant increases in production statistics and financial data are due to the inclusion of a full year of results in 2011 compared with 106 days in 2010.

The Company owns a 90% interest in the Chirano mine. A 10% carried interest is held by the government of Ghana.

Year ended December 31, 2011

During 2011, ore mined and processed amounted to 3,893,000 and 3,572,000 tonnes, respectively. Gold was milled at an average grade of 2.47 grams per tonne and recovery was 91.6% for the year. Chirano produced 261,846 gold equivalent ounces, while selling 262,677 gold equivalent ounces during 2011. Gold equivalent ounces sold exceeded production due to timing of shipments as shipments that were produced at the end of 2010 were sold during 2011.

The Company recorded a goodwill impairment charge of $447.5 million during the year ended December 31, 2011 as a result of the Company's annual assessment of goodwill.

Metal sales of $414.3 million, net of production cost of sales, depreciation, depletion and amortization, the impairment charge, exploration and business development, and other expenses, resulted in an operating loss of $316.6 million for 2011.

Impairment of goodwill

(in millions)	Year ended December 31, 2011	2010	Change	% Change [(a)]
Impairment charges	**$ 2,937.6**	$ -	**$ 2,937.6**	**nm**

(a) "nm" means not meaningful.

The Company completed its annual assessment of the carrying value of goodwill for all properties. The Company's goodwill impairment testing methodology is described in Note 3(ix) of the December 31, 2011 financial statements. As a result of this review, as disclosed in Note 8 to the December 31, 2011 financial statements, an aggregate non-cash goodwill impairment charge of $2,937.6 million was recorded for the Tasiast and Chirano assets acquired in the Red Back acquisition. The impairment charge was a result of changes in market conditions, including industry-wide increases in capital and operating costs, a decline in industry-wide valuations as at year-end, and the Company's growing understanding of the Tasiast project parameters, including its analysis of a draft mine plan.

The Tasiast project represents $2,490.1 million and Chirano represents $447.5 million of the non-cash goodwill impairment charge recorded. A number of market factors are taken into account in determining fair value, including gold price. The Company has used a long term gold price estimate of $1,250 per ounce as at December 31, 2011.

The Company acquired Red Back Mining Inc. in an all-share transaction in which the Company issued 416.4 million common shares, 25.8 million common share purchase warrants, and 8.7 million fully-vested replacement options. Under IFRS, the Company is required to value the acquisition based on the Company's share price on the date the transaction closes, and not the share price on the announcement date. The Company's share price increased $2.71, from $15.73 to $18.44 per share, during the period between the announcement date and the closing date, thereby substantially increasing the goodwill value that was recorded on finalization of the purchase price allocation under IFRS. However, the share exchange ratio upon which the transaction was negotiated and approved did not change as a result of the finalization of the purchase price allocation, and accordingly, the number of Kinross shares issued also did not change.

At December 31, 2010, the Company completed its annual goodwill impairment testing under IFRS and it was determined there was no impairment to goodwill. At December 31, 2010, the Company determined that the recoverable amount determined as the fair value less costs to sell of Fruta del Norte, a pre-development project in Ecuador, was less than its carrying amount. As such, an impairment charge of $290.7 million was recorded in the consolidated statement of operations within exploration and business development expense in the year ended December 31, 2010 with a corresponding decrease in property, plant and equipment. At December 31, 2010, Fruta del Norte was reclassified into the development and operating properties category upon declaration of proven and probable reserves.

Exploration and business development

(in millions)	Year ended December 31, 2011	2010	Change	% Change
Exploration and business development	**$ 136.4**	$ 400.6	**$ (264.2)**	**(66%)**

For the year ended December 31, 2011, exploration and business development expenses were $136.4 million, compared with $400.6 million for 2010. Of the total exploration and business development expense, expenditures on exploration totaled $104.7 million in 2011, an increase of $17.4 million over 2010. Capitalized exploration expenditures, including capitalized evaluation expenditures, totaled $112.3 million for 2011 compared with $39.9 million in 2010. The increase in capitalized exploration resulted largely from the expansion at Tasiast.

Kinross was active on more than 30 mine site, near-mine and greenfields initiatives in 2011, with drilling across all projects totalling 780,918 metres.

For the year ended December 31, 2010, exploration and business development expense includes an impairment charge of $290.7 million related to property, plant and equipment at Fruta del Norte.

General and administrative

(in millions)	Year ended December 31, **2011**	2010	**Change**	**% Change**
General and administrative	**$ 173.6**	$ 144.0	**$ 29.6**	**21%**

General and administrative costs include expenses related to the overall management of the business which are not part of direct mine operating costs. These are costs that are incurred at corporate offices located in Canada, the United States, Brazil, the Russian Federation, Chile, and the Canary Islands.

For 2011, general and administrative costs were $173.6 million, an increase of 21% compared with 2010. The increase was largely due to higher employee related costs and the costs of the continued integration of the Red Back operations, compared with 2010.

Other income - net

(in millions)	Year ended December 31, **2011**	2010	**Change**	**% Change** [(a)]
Gain on sale of assets and investments - net	**$ 24.8**	$ 599.2	**$ (574.4)**	**(96%)**
Transaction costs on acquisition of Red Back	**-**	(41.5)	**41.5**	**100%**
Foreign exchange gains (losses)	**12.0**	(0.2)	**12.2**	**nm**
Net non-hedge derivative gains	**59.1**	55.9	**3.2**	**6%**
Working Interest in Diavik Diamond mine	**-**	(2.4)	**2.4**	**100%**
Other	**5.9**	3.3	**2.6**	**79%**
	$ 101.8	$ 614.3	**$ (512.5)**	**(83%)**

(a) "nm" means not meaningful.

For 2011, other income decreased to income of $101.8 million compared with income of $614.3 million for 2010. The discussion below details the changes in other income for 2011 compared with 2010.

Gain on acquisition/disposition of assets and investments - net

In 2011, there was a net gain of $24.8 million on the acquisition/disposition of assets and investments compared with a total net gain of $599.2 million in 2010. The gain of $24.8 million in 2011 was mainly due to a gain of $30.9 million on the sale of the Company's remaining interest in Harry Winston. The gain on sale of assets and investments in 2010 was a result of gains of $146.4 million and $95.5 million recorded on the Company's sale of its equity interest in Harry Winston and its Working Interest in Diavik, respectively. In addition, in 2010, the Company recognized a gain of $209.3 million representing the unrealized increase in fair value of the initial investment in Red Back at the time of the acquisition and a $78.1 million gain related to the sale of one-half of the Company's interest in Cerro Casale.

Foreign exchange gains (losses)

During 2011, foreign exchange gains were $12.0 million compared with losses of $0.2 million for 2010. The foreign exchange gains were the result of the US dollar being stronger at December 31, 2011 relative to the Chilean peso, Brazilian real, Canadian dollar, and the Russian rouble compared with December 31, 2010.

Net non-hedge derivative gains

Net non-hedge derivative gains recognized during 2011 increased to $59.1 million compared to $55.9 million in 2010. The increases in 2011 compared to 2010 were largely due to the impact of the fair value adjustments related to the embedded derivatives on the Company's senior convertible notes and Canadian dollar denominated common share purchase warrants.

Finance expense

(in millions)	Year ended December 31, 2011	2010	Change	% Change
Finance expense	**$ 66.1**	$ 62.2	**$ 3.9**	**6%**

Finance expense includes accretion on reclamation and remediation obligations and interest expense. Interest expense decreased by $3.8 million, or 8%, in 2011 compared with 2010, due primarily to an increase in capitalized interest, which is offset by new interest charges from the issuance of unsecured $1.0 billion senior notes. Furthermore, accretion on reclamation and remediation obligations increased by $7.7 million in 2011 compared with 2010. The increase in accretion on reclamation and remediation obligations was due to an increase in the underlying provisions. Capitalized interest for 2011 was $26.6 million compared with $1.1 million for 2010.

Income and mining taxes

Kinross is subject to tax in various jurisdictions including Canada, the United States, Brazil, Chile, Ecuador, the Russian Federation, Mauritania and Ghana.

In 2011, the Company recorded a tax provision of $510.8 million on a loss before taxes of $1,502.2 million, compared with a tax provision of $332.8 million on earnings before taxes of $1,204.9 million in 2010. Kinross' combined federal and provincial statutory tax rate was 28.3% for 2011. Excluding the 2011 goodwill impairment and the 2010 asset impairment the Company's effective tax rate was 35.6% for 2011 compared with 22.3% for 2010. Excluding the impact of goodwill as noted above, the increase in the Company's effective tax rate for 2011 compared with 2010 was largely due to:

i) A higher 2011 rate from a net foreign exchange loss on translation of tax basis and deferred income taxes within income tax expense; and

ii) A lower 2010 rate from the tax free sale of our investment in Harry Winston in 2010 and the unrealized increase in fair value of the initial investment in Red Back.

There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of tax assets, mining allowance, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments.

Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, as discussed above, it is expected that the Company's effective tax rate will fluctuate in future periods.

6. LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes Kinross' cash flow activity:

(in millions)	Year ended December 31, 2011	2010	Change	% Change [(a)]
Cash flow:				
Provided from operating activities	**$ 1,416.9**	$ 1,002.2	**$ 414.7**	**41%**
Provided from (used in) investing activities	**(1,748.0)**	213.7	**(1,961.7)**	**nm**
Provided from (used in) financing activities	**634.0**	(353.0)	**987.0**	**280%**
Effect of exchange rate changes on cash	**(3.5)**	6.3	**(9.8)**	**(156%)**
Increase in cash and cash equivalents	**299.4**	869.2	**(569.8)**	**(66%)**
Cash and cash equivalents, beginning of period	**1,466.6**	597.4	**869.2**	**145%**
Cash and cash equivalents, end of period	**$ 1,766.0**	$ 1,466.6	**$ 299.4**	**20%**

(a) "nm" means not meaningful.

Cash and cash equivalent balances increased by $299.4 million in 2011, compared with an increase of $869.2 million during 2010. Detailed discussions regarding cash flow movements are noted below.

Operating Activities

2011 vs. 2010

During 2011, net cash flow provided from operating activities was $414.7 million higher than in 2010. The increase in cash flows was largely the result of an increase in gross profit. This was offset to some extent by additional cash paid on the close out and early settlement of Kupol-related derivative instruments of $112.8 million in the third quarter of 2011. During the fourth quarter of 2011, the Company's cash flow benefited by $64.1 million from not having the hedge contracts.

Investing Activities

2011 vs. 2010

Cash used in investing activities was $1,748.0 million during 2011 compared with $213.7 million of cash provided from investing activities in 2010.

During 2011, the primary uses of cash were capital expenditures of $1,651.5 million, additions to long-term investments and other assets of $213.4 million, and an increase in restricted cash of $60.0 million. During 2011, the Company received net proceeds of $101.4 million from the disposal of long-term investments and other assets, and collected a note receivable of $70.0 million from Harry Winston.

During 2010, the primary sources of cash were proceeds on the Company's disposal of its equity interest in Harry Winston, its Working Interest in Diavik, net cash acquired from business acquisitions, and on the sale of one-half of the Company's interest in Cerro Casale. During 2010 the primary uses of cash were capital expenditures of $628.3 million and cash payments associated with the Company's acquisition of Dvoinoye.

The following table provides a breakdown of capital expenditures:

(in millions)	Year ended December 31, 2011	2010	Change	% Change [e]
Operating segments				
Fort Knox	**$ 103.5**	$ 81.9	**$ 21.6**	**26%**
Round Mountain	**48.2**	30.7	**17.5**	**57%**
Kettle River-Buckhorn	**13.4**	9.2	**4.2**	**46%**
Kupol [a]	**195.9**	67.3	**128.6**	**191%**
Paracatu	**339.4**	169.5	**169.9**	**100%**
Crixás	**22.3**	25.5	**(3.2)**	**(13%)**
La Coipa	**64.6**	28.0	**36.6**	**131%**
Maricunga	**149.3**	73.1	**76.2**	**104%**
Tasiast [b]	**469.2**	54.2	**415.0**	**nm**
Chirano [b]	**94.3**	13.6	**80.7**	**nm**
Non-operating segments				
Fruta del Norte	**90.7**	38.8	**51.9**	**134%**
Cerro Casale [c]	**-**	4.0	**(4.0)**	**(100%)**
Corporate and Other [d]	**60.7**	32.5	**28.2**	**87%**
Total	**$ 1,651.5**	$ 628.3	**$ 1,023.2**	**163%**

(a) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

(b) The Tasiast and Chirano mines were acquired with the acquisition of Red Back on September 17, 2010.

(c) As of March 31, 2010, Cerro Casale is accounted for as an equity investment.

(d) "Corporate and Other" includes corporate and other non-operating assets (including Lobo-Marte and White Gold).

(e) "nm" means not meaningful.

Capital expenditures for 2011 increased by $1,023.2 million compared with 2010. The increases in 2011 resulted largely from the expansion at Tasiast and mine development at Chirano post-acquisition of these properties. The increase in the Kupol segment is largely due to the inclusion of development activities at Dvoinoye, which is included in the Kupol segment as of December 31, 2011, upon the Company's declaration of proven and probable reserves. At Maricunga, additional capital expenditures reflect pre-stripping at Pancho Phase 2 and the construction of the SART plant. The increase at Paracatu is mainly attributable to the third and fourth ball mill projects and tailings dam construction. The increase at La Coipa was primarily due to pre-stripping activities. At Fruta del Norte, the increase in capital expenditures reflects the ongoing development of the underground exploration decline. The increase in corporate and other was primarily a result of project development activities performed at Lobo-Marte.

Financing Activities

2011 vs. 2010

Net cash flow provided from financing activities was $634.0 million during 2011 compared with net cash used of $353.0 million in 2010. During 2011, the Company received $1,608.5 million of proceeds from debt which was primarily the $980.9 million in net proceeds from the issuance of senior notes and $194.1 million of net proceeds from the Kupol project financing loan. These proceeds were offset by net repayments of debt of $482.1 million and dividends paid of $124.8 million. Additionally, the Company paid cash to acquire the remaining outstanding share capital of CMGC for total consideration of $335.4 million, increasing its interest in the entity to 100%. During 2010, the $353.0 million use of cash was primarily to repay debt of $334.9 million, which was partially offset by proceeds from debt of$127.3 million, and pay total dividends of $118.3 million.

Balance Sheet

(in millions)	As at December 31, **2011**	December 31, 2010	December 31, 2009 [c]
Cash and cash equivalents and short-term investments	**$ 1,767.3**	$ 1,466.6	$ 632.4
Current assets	**$ 3,117.8**	$ 2,663.1	$ 1,390.9
Total assets	**$ 16,508.8**	$ 17,795.2	$ 8,013.2
Current liabilities	**$ 795.7**	$ 976.1	$ 638.0
Total long-term financial liabilities [a]	**$ 2,363.3**	$ 1,215.8	$ 1,058.2
Total debt, including current portion	**$ 1,633.1**	$ 474.4	$ 692.2
Total liabilities	**$ 4,038.1**	$ 3,001.9	$ 2,453.7
Common shareholders' equity	**$ 12,390.4**	$ 14,531.1	$ 5,559.5
Non-controlling interest	**$ 80.3**	$ 262.2	$ 132.9
Statistics			
Working capital	**$ 2,322.1**	$ 1,687.0	$ 752.9
Working capital ratio [b]	**3.92:1**	2.73:1	2.18:1

(a) Includes long-term debt, provisions, unrealized fair value of derivative liabilities, and other long-term liabilities.

(b) Current assets divided by current liabilities.

(c) 2009 information has not been restated to conform with IFRS and is presented in accordance with Canadian generally accepted accounting principles.

At December 31, 2011, Kinross had cash and cash equivalents and short-term investments of $1,767.3 million, an increase of $300.7 million over the December 31, 2010 balance due primarily to proceeds from the issuance of new debt. Current assets increased to $3,117.8 million largely due to the increase in cash. Total assets decreased by $1,286.4 million to $16,508.8 million primarily due to goodwill impairment charges of $2,937.6 million, offset by the increase in cash and cash equivalents and additions to property, plant and equipment. Current liabilities were reduced to $795.7 million largely due to a reduction in the unrealized fair value of derivative liabilities. Total debt increased by $1,158.7 million largely due to the issuance of senior notes and the Kupol project financing loan.

On February 15, 2012, the Board of Directors declared a dividend of $0.08 per common share to shareholders of record on March 23, 2012.

On August 10, 2011, the Board of Directors declared a dividend of $0.06 per common share to shareholders of record on September 23, 2011.

On February 16, 2011, the Board of Directors declared a dividend of $0.05 per common share to shareholders of record on March 24, 2011.

On August 4, 2010, the Board of Directors declared a dividend of $0.05 per common share. A cash dividend of $0.05 per common share was declared on February 17, 2010.

On August 12, 2009, the Board of Directors declared a cash dividend of $0.05 per common share. A cash dividend of $0.04 per common share was declared on February 18, 2009.

As of February 14, 2012, there were 1,137.8 million common shares of the Company issued and outstanding. In addition, at the same date, the Company had 12.7 million share purchase options outstanding under its share option plan and 45.5 million common share purchase warrants outstanding (convertible to 45.5 million Kinross shares).

Credit Facilities and Financing

Convertible debentures

In January 2008, Kinross received net proceeds of $449.9 million from the offering of $460.0 million convertible senior notes due March 15, 2028 (the "convertible notes"), after payment of commissions and expenses of the offering. The notes pay interest semi-annually at a rate of 1.75% per annum. The notes will be convertible on or after December 27, 2027, at the holder's option, equivalent to a conversion price of $28.04 per share of common stock subject to adjustment. The convertible senior notes may be converted, at the same conversion rate and at

the option of the holder, prior to December 15, 2027 if certain events occur, including Kinross common shares trading at a level greater than 130% of the effective conversion price of the convertible senior notes for any 20 trading days during the 30 consecutive trading day period ending on the last trading day of each calendar quarter ending on or after June 30, 2008. The convertible senior notes are redeemable by the Company, in whole or part, for cash at any time on or after March 20, 2013, at a redemption price equal to par plus accrued and unpaid interest, if any, to the redemption date. Holders may require Kinross to repurchase the convertible senior notes at a purchase price equal to par plus accrued and unpaid interest, if any, to the repurchase date, on March 15, 2013, March 15, 2018 and March 15, 2023, or upon certain fundamental changes. Subject to certain conditions, Kinross may deliver, in lieu of cash, Kinross common shares, or a combination of cash and Kinross common shares, in satisfaction of the purchase price.

Senior notes

On August 22, 2011, the Company completed a $1.0 billion offering of debt securities, consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021 and $250.0 million principal amount of 6.875% senior notes due 2041 (collectively, the "notes"). The notes pay interest semi-annually. Kinross received net proceeds of $980.9 million from the offering, after discount, payment of the commissions of the initial purchasers and expenses of the offering. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indenture, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months and six months of maturity of the notes due in 2021 and 2041, respectively, the Company can only redeem the notes in whole at 100% of the principal amount plus accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a redemption price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the redemption date, if any.

Credit facilities

In November 2009, the Company entered into an amended revolving credit facility which provided credit of $450.0 million on an unsecured basis and was to expire in November 2012. The term loan for the Paracatu property, which was part of the credit facility agreement the Company entered into in 2006, formed part of the amended revolving credit facility, and that credit will be available to the Company as the term loan is repaid. On June 17, 2010, the Company entered into a further amendment to increase availability under the facility to $600.0 million. On September 17, 2010, the revolving credit facility was further amended to add Mauritania, Ghana, and Cote d'Ivoire as permitted jurisdictions as a result of the Red Back acquisition. All other terms and conditions under the existing revolving credit facility remained unchanged.

On March 31, 2011, the Company entered into a further amendment of the facility which included increasing the availability under the facility to $1,200.0 million and extending the term of the facility from November 2012 to March 2015.

As at December 31, 2011, the Company had drawn $55.5 million (December 31, 2010 - $87.7 million) on the amended revolving credit facility, including drawings for the Paracatu term loan of $22.7 million and $32.8 million (December 31, 2010 - $28.6 million) for letters of credit.

The amended credit agreement contains various covenants including limits on indebtedness, asset sales and liens. Significant financial covenants include a minimum tangible net worth of $5,250.0 million and increasing by 50% of positive net income each quarter starting with the quarter ending March 31, 2011 (previously $3,345.3 million starting September 30, 2009 and increasing by 50% of positive net income each quarter), an interest coverage ratio of at least 4.25:1, and net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with these covenants at December 31, 2011.

Loan interest is variable, set at LIBOR plus an interest rate margin which is dependent on the ratio of the Company's net debt to EBITDA as defined in the agreement.

The Company's current ratio of net debt to EBITDA at December 31, 2011, as defined in the agreement, is less than 1.00:1. At this ratio, interest charges are as follows:

Type of Credit	Credit Facility
Dollar based LIBOR loan	LIBOR plus 1.75%
Letters of credit	1.75%
Standby fee applicable to unused availability	0.44%

Also in November 2009, the Company entered into a separate Letter of Credit guarantee facility with Export Development Canada ("EDC") for $125.0 million. Letters of credit guaranteed by this facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River–Buckhorn. On July 30, 2010, the Company entered into an amendment to increase the amount of the Letter of Credit guarantee facility from $125.0 million to $136.0 million. All other terms and conditions under this facility remain the same. As at December 31, 2011, $135.1 million (December 31, 2010 - $135.1 million) was outstanding under this facility.

Prior to the above noted amendments to the revolving credit facility, the Company had in place a revolving credit facility of $300.0 million and a $104.6 million term loan, under an agreement signed in 2006. The 2006 revolving credit facility supported the Company's liquidity and letters of credit requirements and, as amended in 2007, was to expire in August 2010. The purpose of the term loan was, and continues to be, to support the expansion program at the Paracatu mine in Brazil. The term loan expires on February 18, 2012.

Loan interest under the 2006 revolving credit facility agreement was variable, set at LIBOR plus an interest rate margin dependent on the ratio of the Company's net debt to operating cash flow, as defined under the agreement.

The 2006 credit agreement contained various covenants that included limits on indebtedness, distributions, asset sales and liens. Significant financial covenants included a minimum tangible net worth of $700.0 million, an interest coverage ratio of at least 4.5:1, net debt to operating cash flow of no more than 3.0:1 and minimum proven and probable reserves of 6 million gold equivalent ounces after repayment of the term loan. The financial covenants were based on the amounts recorded by the Company, less amounts recorded in EastWest Gold Corporation, a subsidiary of Kinross and formerly known as Bema.

In addition, at December 31, 2011, the Company had approximately $41.0 million (December 31, 2010 - $11.5 million) in letters of credit outstanding, in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with Brazilian and international banks.

Kupol project financing

On December 21, 2011, the Company completed a $200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of $30.0 million will commence in March 2013 and continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to $13.0 million and $7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of $204.8 million are pledged as security as part of the Kupol project financing.

As at December 31, 2011, cash of $34.0 million was restricted for payments related to the loan.

The following table outlines the credit facility utilization and availability:

(in millions)	As at December 31, **2011**	2010
Revolving credit facility	**$ (55.5)**	$ (87.7)
Utilization of EDC facility	**(135.1)**	(135.1)
Borrowings	**$ (190.6)**	$ (222.8)
Available under revolving credit facility	**$ 1,144.5**	$ 512.3
Available under EDC credit facility	**0.9**	0.9
Available credit	**$ 1,145.4**	$ 513.2

Total debt of $1,633.1 million at December 31, 2011 consists of $420.7 million for the debt component of the convertible debentures, $981.4 million for the senior notes, $194.1 million for the Kupol term loan, $22.4 million for the Corporate term loan and revolving credit facilities, and $14.5 million in finance leases and other debt. The current portion of this debt is $32.7 million at December 31, 2011.

Liquidity Outlook

In 2012, the Company expects to repay $33.0 million of debt in cash.

The Company's capital resources include existing cash and cash equivalents balances of $1,766.0 million, available credit of $1,145.4 million and expected operating cash flows based on current assumptions (noted in Section 3 of this MD&A). We believe these capital resources are sufficient to fund operations, our forecasted exploration and capital expenditures (noted in Section 3 of this MD&A), debt repayments noted above and reclamation and remediation obligations in 2012. Prior to any capital investments, consideration is given to the cost and availability of various sources of capital resources.

With respect to the longer term capital expenditure funding requirements, the Company continues to have discussions with lending institutions that have been active in the jurisdictions in which the Company's development projects are located. Some of the jurisdictions in which the Company operates have seen the participation of lenders including export credit agencies, development banks and multi-lateral agencies. The Company believes the capital from these institutions combined with more traditional bank loans and capital available through debt capital market transactions will fund a portion of the longer term capital expenditure requirements. Another possible source of capital would be proceeds from the sale of non-core assets. These capital sources together with operating cash flow and the Company's active management of its operations and development activities will enable the Company to maintain an appropriate overall liquidity position.

Contractual Obligations and Commitments

Certain contractual obligations of the Company as at December 31, 2011 are noted in the table below:

(in millions)	Total	2012	2013	2014	2015	2016	2017 and thereafter
Long-term debt obligations	$ 1,637.8	$ 23.5	$ 481.4	$ 60.2	$ 60.0	$ 269.0	$ 743.7
Lease obligations	51.8	14.6	8.2	4.7	4.5	4.5	15.3
Purchase obligations	504.6	447.2	35.4	16.7	3.3	2.0	-
Reclamation and remediation obligations	1,091.5	37.7	19.0	15.8	20.4	33.0	965.5
Interest and other fees	866.2	73.9	65.3	61.6	55.4	52.3	557.8
Derivative liabilities	74.3	45.2	21.0	8.1	-	-	-
Total	$ 4,226.3	$ 642.1	$ 630.3	$ 167.1	$ 143.6	$ 360.9	$ 2,282.3

The Company manages its exposure to fluctuations in input commodity prices, currency exchange rates and interest rates, by entering into derivative financial instruments from time to time, in accordance with the Company's risk management policy.

During 2011, the Company closed out and early settled all gold and silver derivative financial instruments and other financial instruments that were required under the terms of the Kupol project financing and were acquired with the acquisition of Bema.

During 2011, the Company entered into gold forward purchase contracts as follows:

- 40,665 ounces of gold at an average price of $1,364 per ounce which matured in 2011; and
- 36,380 ounces of gold at an average price of $1,363 per ounce which mature in 2012.

Commensurate with the engagement of these derivatives, the Company de-designated the gold forward sale contract hedging relationship for 100% of the remaining 2011 maturities and 100% of 2012 maturities. As noted above, the Company subsequently closed out and early settled all outstanding gold and silver forward contracts.

The following table provides a summary of derivative contracts outstanding at December 31, 2011:

	2012	2013	2014	Total
Foreign currency				
Brazilian real forward buy contracts				
(in millions of U.S. dollars)	437.4	158.0	88.5	683.9
Average price	1.83	1.92	2.13	1.89
Chilean peso forward buy contracts				
(in millions of U.S. dollars)	210.0	72.0	66.0	348.0
Average price	492.86	522.59	553.44	510.50
Russian rouble forward buy contracts				
(in millions of U.S. dollars)	110.4	48.0	18.0	176.4
Average price	32.38	32.05	34.84	32.54
Canadian dollar forward buy contracts				
(in millions of U.S. dollars)	99.8	24.0	-	123.8
Average price	1.00	1.00	-	1.00
Energy				
Oil forward buy contracts (barrels)	290,000	115,000	45,000	450,000
Average price	92.21	91.22	83.04	91.04
Diesel forward buy contracts (gallons)	4,830,000	2,310,000	-	7,140,000
Average price	2.96	2.93	-	2.95
Gasoil forward buy contracts (tonnes)	14,765	-	-	14,765
Average price	933.26	-	-	933.26

Acquired with the acquisition of Bema was an interest rate swap whereby the Company paid a fixed rate of 4.4975% and received a floating interest rate on a principal amount that varied from $4.2 million to $140.0 million, and an interest rate cap and floor whereby the Company paid a maximum rate of 6.37% and a minimum of 4.75% on a principal amount that varied from $3.7 million to $70.0 million. These contracts were closed out and early settled in the third quarter of 2011.

During 2008, the Company entered into an interest rate swap in order to fix the interest rates on 50% of the term loan, maturing in February 2012, for Paracatu. Under the contract, Kinross Brasil Mineração S.A. ("KBM"), a wholly-owned subsidiary of the Company, will pay a rate of 3.83% and receive LIBOR plus 1%.

Additionally, the following new forward buy derivative contracts were engaged during 2011:

- $627.9 million at an average rate of 1.88 Brazilian reais, with maturities in 2012, 2013 and 2014;
- $390.0 million at an average rate of 509.09 Chilean pesos, with maturities in 2011, 2012, 2013 and 2014;
- $128.4 million at an average rate of 32.33 Russian roubles, with maturities in 2012, 2013 and 2014;
- $145.8 million at an average rate of 1.00 Canadian dollars, with maturities in 2011, 2012 and 2013;
- 602,000 barrels of oil at an average rate of $92.09 per barrel, with maturities in 2011, 2012, 2013 and 2014;
- 7.14 million gallons of diesel at an average rate of $2.95 per gallon, with maturities in 2012 and 2013; and
- 16,107 tonnes of gasoil at an average rate of $933.25 per tonne, with maturities in 2011 and 2012.

Fair value of derivative instruments

The fair value of derivative instruments are noted in the table below:

(in millions)	As at December 31, **2011**	December 31, 2010
Asset (liability)		
Interest rate swap	**$ (0.1)**	$ (4.4)
Foreign currency forward contracts	**(75.1)**	55.0
Gold and silver forward contracts	**-**	(333.7)
Energy forward contract	**1.6**	1.7
Total return swap	**(0.7)**	-
Canadian $ denominated common share purchase warrant liability	**(18.6)**	(48.4)
Senior convertible notes - conversion option	**(2.6)**	(38.9)
	$ (95.5)	$ (368.7)

Contingent Liability

The Company was obligated to pay $40 million to Barrick Gold Corporation ("Barrick") when a production decision is made relating to the Cerro Casale project. During the first quarter of 2010, this contingent liability was reduced to $20 million in accordance with the agreement with Barrick under which the Company sold one-half of its 50% interest in the Cerro Casale project.

Other legal matters

The Company is from time to time involved in legal proceedings, arising in the ordinary course of its business. Typically, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

The Company has become aware that certain law firms in the United States have announced that they are investigating Kinross in connection with potential violation of United States Securities laws. No proceedings have been commenced to date, however the Company may become subject to proceedings in the future.

7. SUMMARY OF QUARTERLY INFORMATION

	2011				2010			
(in millions, except per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Metal sales	**$ 949.3**	**$ 1,069.2**	**$ 987.8**	**$ 937.0**	$ 920.4	$ 735.5	$ 696.6	$ 657.6
Net earnings (loss) attributed to common shareholders	**$ (2,783.7)**	**$ 212.6**	**$ 247.4**	**$ 250.1**	$ (72.9)	$ 540.9	$ 110.4	$ 181.3
Basic earnings (loss) per share	**$ (2.45)**	**$ 0.19**	**$ 0.22**	**$ 0.22**	$ (0.06)	$ 0.71	$ 0.16	$ 0.26
Diluted earnings (loss) per share	**$ (2.45)**	**$ 0.19**	**$ 0.22**	**$ 0.22**	$ (0.06)	$ 0.69	$ 0.16	$ 0.26
Net cash flow provided from operating activities	**$ 418.1**	**$ 302.4**	**$ 361.3**	**$ 335.1**	294.5	249.1	229.9	228.7

The Company's results over the past several quarters have been driven primarily by fluctuations in gold price and increases in gold equivalent ounces produced. Additionally, increases in input costs and fluctuations in the silver price and foreign exchange rates have impacted results.

During the fourth quarter of 2011, revenue increased to $949.3 million on gold equivalent ounces sold of 607,948 compared with revenue of $920.4 million on sales of 696,355 gold equivalent ounces during the fourth quarter of 2010. The average realized gold price per ounce in the fourth quarter of 2011 was $1,601 compared with the average spot price of gold during this period of $1,683 per ounce. The variance was driven primarily by the Company's gold hedges that were acquired with the Bema acquisition, as they reduced the average price realized by $69 per ounce for the fourth quarter of 2011.

Production cost of sales increased by 4% to $386.7 million in the final quarter of 2011 versus $372.6 million in the prior year, largely due to higher input costs in areas such as energy and labour, as well as higher throughput.

In the fourth quarter of 2011, the Company recorded a goodwill impairment charge at its Tasiast and Chirano mines, totaling $2,937.6 million.

During the fourth quarter of 2011, operating cash flows increased to $418.1 million compared with $294.5 million during the fourth quarter of 2010 largely due to an increase in gross margins earned.

On December 21, 2011, the Company completed a $200.0 million, non-recourse, term loan financing with a group of international financial institutions. The loan matures on September 30, 2016, and bears interest at LIBOR plus 2.50%. Semi-annual principal repayments will commence in March 2013.

8. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission, under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, Kinross' management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures, and internal controls over financial reporting. This evaluation is done under the supervision of, and with the participation of, the President and Chief Executive Officer and the Chief Financial Officer.

As of the end of the period covered by this MD&A and the accompanying audited consolidated financial statements, Kinross' management evaluated the effectiveness of its disclosure controls and procedures, and internal control over financial reporting. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that Kinross' disclosure controls and procedures, and internal controls over financial reporting, provide reasonable assurance that they were effective as at December 31, 2011. During 2011, Fort Knox, Round Mountain, Kettle River-Buckhorn, Lobo-Marte, and the Corporate offices in Toronto, Canada and Reno, U.S.A, converted to a new version of their ERP system, and La Coipa and Maricunga converted to a new ERP system. The conversions in the ERP system have not resulted in any significant changes in internal controls during the year ended December 31, 2011. Management employed appropriate procedures to ensure internal controls were in place during and after the conversion for all conversions. As at September 30, 2011, the Company also expanded its disclosure controls and procedures and internal controls over financial reporting to include the former Red Back operations.

In addition, management evaluated the impact on the design and operating effectiveness of internal controls that resulted from the application of IFRS accounting policies which were implemented during the year ended December 31, 2011, and concluded that it had not significantly affected the Company's internal control over financial reporting.

Limitations of Controls and Procedures

Kinross' management, including the CEO and the CFO believes that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

9. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective January 1, 2011, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") became Canadian GAAP ("CDN GAAP") for publicly accountable enterprises. As a result, Kinross' audited consolidated financial statements for the year ended December 31, 2011 are reported in accordance with IFRS, with comparative information for 2010 restated. These financial statements are the Company's first annual consolidated financial statements prepared under IFRS and have been prepared in accordance with IFRS 1 "First Time Adoption of International Financial Reporting Standards" ("IFRS 1").

The Company developed and executed a changeover plan in order to begin reporting in accordance with IFRS from January 1, 2011. The changeover plan included an assessment phase, a design phase, and an implementation phase, each of which set out activities to be performed over the life of the project. Throughout 2011, we continued to execute the final phase of our changeover plan. Activities in this respect included continuing to execute business process and internal control changes, testing internal controls impacted by our IFRS changeover in connection with our 2011 annual internal controls program, monitoring accounting and regulatory developments and evaluating impacts on our financial reporting, and continuing to fulfill presentation and reporting requirements. The implementation phase culminated in the preparation of our 2011 annual consolidated financial statements under IFRS.

Reconciliations from CDN GAAP to IFRS

Note 22 of our annual consolidated financial statements for the year ended December 31, 2011 includes reconciliations from our previous CDN GAAP reporting to IFRS for our opening balance sheet as at January 1, 2010, our balance sheet as at December 31, 2010 and our statement of operations for the year ended December 31, 2010.

IFRS accounting policies

Our significant accounting policies under IFRS are disclosed in Note 3 of our consolidated financial statements for the year ended December 31, 2011, and resulting accounting changes are highlighted in our reconciliations from previous CDN GAAP reporting. The exemptions from full retrospective application elected by the Company in accordance with IFRS 1 are disclosed in Note 22 of our consolidated financial statements for the year ended December 31, 2011.

The Company adopted a new goodwill policy as a result of the adoption of IFRS. Under previous CDN GAAP, the Company recognized exploration potential acquired in a business combination (referred to as "Expected Additional Value" or "EAV") within goodwill. IFRS requires EAV to be classified separately from goodwill. As a result of the use of the optional exemption related to business combinations, EAV currently recognized within goodwill remained as goodwill on the date of transition and goodwill was assessed for impairment in accordance with IFRS.

Exploration potential acquired in business combinations effected on or after January 1, 2010 are included within property, plant and equipment. As a result, the Company adopted a new goodwill impairment model under IFRS. This model uses a net asset value ("NAV") multiple methodology which applies a market multiple to the estimated present value of future cash flows for the Company's cash generating units to which goodwill is allocated. The resulting fair value less costs to sell estimate is then compared to the carrying value of the cash generating unit ("CGU") to determine and measure any impairment.

On transition to IFRS, and for the year ended December 31, 2010 we did not record any goodwill impairment charges. For the year ended December 31, 2011 we recorded an impairment charge of $2,937.6 million related to goodwill.

10. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ACCOUNTING CHANGES

Critical Accounting Policies and Estimates

Kinross' accounting policies are described in Note 3 to the consolidated financial statements. The preparation of the Company's financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Mineral Reserves and Mineral Resources

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, goodwill, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

Purchase Price Allocation

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally require a high degree of judgment, and include estimates of mineral reserves acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

Depreciation, Depletion and Amortization

Plants and other facilities used directly in mining activities are depreciated using the UOP method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and

probable reserves. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves.

The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment of Goodwill and Other Assets

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations. The assessment of fair values, including those of the CGUs for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, NAV multiples, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

Inventories

Expenditures incurred, and depreciation, depletion and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or NRV. Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing), by comparing the grades of ore placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is completed.

The allocation of costs to ore in stockpiles, ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Deferred Taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

Recent Accounting Pronouncements

Stripping costs

In October 2011, the IASB issued IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" ("IFRIC 20") which provides guidance on the accounting for costs related to stripping activity in the production phase of surface mining. When the stripping activity results in the benefit of useable ore that can be used to produce inventory, the related costs are to be accounted for in accordance with IAS 2 "Inventories"; when the stripping activity results in the benefit of improved access to ore that will be mined in future periods, the related costs are to be accounted for in accordance with IFRIC 20 as additions to non-current assets when specific criteria are met.

IFRIC 20 is effective for annual periods beginning on or after January 1, 2013, and permits early adoption. The Company is in the process of determining the impact on its consolidated financial statements.

Financial instruments

The IASB has issued IFRS 9 "Financial Instruments" which proposes to replace IAS 39. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets - amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available for sale and loans and receivable categories.

This standard is effective for the Company's annual year end beginning January 1, 2015 (as amended from January 1, 2013 by the IASB in December 2011). The Company will evaluate the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

IFRS 7 "Financial instruments - Disclosures" ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained.

The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. There was no impact of the amendments to IFRS 7 upon adoption on January 1, 2012.

Consolidation and related standards

The IASB issued the following suite of consolidation and related standards, all of which are effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of these standards on its financial statements.

IFRS 10 "Consolidated Financial Statements" ("IFRS 10"), which replaces parts of IAS 27, "Consolidated and Separate Financial Statements" ("IAS 27") and all of SIC-12, "Consolidation - Special Purpose Entities", changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IAS 27 "Separate Financial Statements (2011)" ("IAS 27 (2011)") was reissued and now only contains accounting and disclosure requirements for when an entity prepares separate financial statements, as the consolidation guidance is now included in IFRS 10.

IFRS 11 "Joint Arrangements" ("IFRS 11"), which replaces IAS 31, "Interests in Joint Ventures" and SIC-13, "Jointly Controlled Entities - Non-monetary Contributions by Venturers", requires a venturer to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its assets, liabilities, revenue and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture's net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is prohibited.

IAS 28 "Investments in Associates and Joint Ventures (2011)" ("IAS 28") was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now includes joint ventures that are to be accounted for by the equity method. The application of the equity method has not changed as a result of this amendment.

IFRS 12 "Disclosure of Interests in Other Entities" ("IFRS 12") is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and structured entities. This standard carries forward the disclosures that existed under IAS 27, IAS 28 and IAS 31, and also introduces additional disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities.

Fair value measurement

The IASB also has issued the following standard, which is effective for annual periods beginning on or after January 1, 2013, for which the Company has not yet determined the impact on its consolidated financial statements.

IFRS 13 "Fair Value Measurement" ("IFRS 13") provides guidance on how fair value should be applied where its use is already required or permitted by other IFRS standards, and includes a definition of fair value and is a single source of guidance on fair value measurement and disclosure requirements for use across all IFRS standards.

11. RISK ANALYSIS

The business of Kinross contains significant risk due to the nature of mining, exploration, and development activities. Certain risk factors listed below are related to the mining industry in general while others are specific to Kinross. Included in the risk factors below are details on how Kinross seeks to mitigate these risks wherever possible. For additional discussion of risk factors please refer to the Company's Annual Information Form for the year ended December 31, 2010, which is available on the Company's web site www.kinross.com and on www.sedar.com or is available upon request from the Company, and to the Company's Annual Information Form for the year ended December 31, 2011, which will be filed on SEDAR.

Gold Price and Silver Price

The profitability of Kinross' operations is significantly affected by changes in the market price of gold and silver. Gold and silver prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Kinross. The price of gold and/or silver can be subject to volatile price movements and future serious price declines could cause continued commercial production to be impractical. Depending on the prices of gold and silver, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in gold and/or silver prices, revenues from metal sales were to fall below cash operating costs, production may be discontinued. The factors that may affect the price of gold and silver include industry factors such as: industrial and jewellery demand; the level of demand for the metal as an investment; central bank lending, sales and purchases of the metal; speculative trading; and costs of and levels of global production by producers of the metal. Gold and silver prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the US dollar, the currency in which the price of the metal is generally quoted, and other currencies; interest rates; and global or regional political or economic uncertainties.

If the world market price of gold and/or silver were to drop and the prices realized by Kinross on gold and/or silver sales were to decrease significantly and remain at such a level for any substantial period, Kinross' profitability and cash flow would be negatively affected. In such circumstances, Kinross may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, which could have an adverse impact on Kinross' financial performance and results of operations. Kinross may curtail or suspend some or all of its exploration activities, with the result that depleted reserves are not replaced. In addition, the market value of Kinross' gold and/or silver inventory may be reduced and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices. Furthermore, certain of Kinross' mineral projects include copper which is similarly subject to price volatility based on factors beyond Kinross' control.

Nature of Mineral Exploration and Mining

The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time which may not be eliminated even with careful evaluation, experience and knowledge. While discovery of gold-bearing structures may result in substantial rewards, few properties explored are ultimately developed into producing mines. Major expenditures are required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on properties in which Kinross has an interest will result in profitable commercial mining operations.

The operations of Kinross are subject to the hazards and risks normally incident to exploration, development and production of gold and silver, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of Kinross may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which it has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding, pit wall failures or other conditions, may be encountered in the drilling and removal of material. While Kinross may obtain insurance against certain risks, potential claims could exceed policy limits or could be excluded from coverage. There are also risks against which Kinross cannot or may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of Kinross and, potentially, its financial viability.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which include the particular attributes of the deposit, such as its size and grade, costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land and water use, importing and exporting of gold and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kinross not receiving an adequate return on its invested capital.

Kinross mitigates the likelihood and potential severity of these mining risks it encounters in its day-to-day operations through the application of high operating standards. In addition, Kinross reviews its insurance coverage at least annually to ensure that the most complete and cost-effective coverage is obtained.

Environmental Risks

Kinross' mining and processing operations and exploration activities in Canada, the United States, the Russian Federation, Brazil, Ecuador, Chile, Mauritania and Ghana are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse impact on Kinross through increased costs, a reduction in levels of production and/or a delay or prevention of the development of new mining properties. Compliance with these laws and regulations requires significant expenditures and increases Kinross' mine development and operating costs.

Permits from various governmental authorities are necessary in order to engage in mining operations in all jurisdictions in which Kinross operates. Such permits relate to many aspects of mining operations, including maintenance of air, water and soil quality standards. In most jurisdictions, the requisite permits cannot be obtained prior to completion of an environmental impact statement and, in some cases, public consultation. Further, Kinross may be required to submit for government approval a reclamation plan, to post financial assurance for the reclamation costs of the mine site, and to pay for the reclamation of the mine site upon the completion of mining activities. Kinross mitigates this risk by performing certain reclamation activities concurrent with production.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities concerning the environmental effects associated with mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to Kinross' ownership of a property. To the extent Kinross is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available for business activities and could have a material adverse effect on Kinross. Should Kinross be unable to fully fund the cost of remedying an environmental problem, Kinross might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Kinross mitigates the likelihood and potential severity of these environmental risks it encounters in its day-to-day operations through the application of high operating standards.

Mineral Reserve and Mineral Resource Estimates

The reserve mineral and mineral resource figures are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations in the price of gold may render the mining of mineral reserves and uneconomical mineral resources and require Kinross to take a write-down of an asset or to discontinue development or production. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore body or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

Proven and probable mineral reserves at Kinross' mines and development projects were estimated as of December 31, 2011, based upon a gold price of $1,200 per ounce of gold.

Prolonged declines in the market price of gold may render mineral reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could materially reduce Kinross' mineral reserves. Should such reductions occur, material write-downs of Kinross' investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects and reduced income and cash flow.

There are numerous uncertainties inherent in estimating quantities of proven and probable mineral reserves. The estimates in this document are based on various assumptions relating to gold prices and exchange rates during the expected life of production and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures,

development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in a material downward or upward revision of current estimates.

Production and Cost Estimates

The Company prepares estimates of future production, operating costs and capital costs for its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on Kinross' future cash flows, profitability, results of operations and financial condition.

Kinross' actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; difficulties with supply chain management, including the implementation and management of enterprise resource planning software; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, floods, and earthquakes; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors, including: changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of supplies and services (for example, power and fuel), general inflationary pressures and currency exchange rates.

Political, Economic and Legislative Risk

The Company has mining and exploration operations in various regions of the world, including the United States, Brazil, Chile, Ecuador, the Russian Federation, Mauritania and Ghana and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes to policies and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in these countries may result in these governments adopting different policies with respect to foreign investment, and development and ownership of mineral resources. Any changes in such policies may result in changes in laws affecting ownership of assets, foreign investment, mining exploration and development, taxation, currency exchange rates, gold sales, environmental protection, labour relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Kinross to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operation. Future governments in these countries may adopt substantially different policies, which might extend to, as an example, expropriation of assets.

The tax regimes in these countries may be subject to differing interpretations and are subject to change from time to time. Kinross' interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities in a given country. As a result, transactions may be challenged by tax authorities and Kinross' operations may be assessed, which could result in significant additional taxes, penalties and interest.

The Company is subject to the considerations and risks of operating in the Russian Federation. Certain currency conversion risks exist in the Russian economy. Russian legislation currently permits the conversion of rouble revenues into foreign currency. Any delay or other difficulty in converting roubles into a foreign currency to make a payment or delay in or restriction on the transfer of foreign currency could limit our ability to meet our payment and debt obligations, which could result in the loss of suppliers, acceleration of debt obligations, etc.

Licenses and Permits

The operations of Kinross require licenses and permits from various governmental authorities. However, such licenses and permits are subject to challenge and change in various circumstances. There can be no guarantee that Kinross will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost. Kinross endeavors to be in compliance with these regulations at all times.

The Federal Public Attorney ("FPA") in Brazil filed a lawsuit relating to the rights of the Quilombola people in connection with the lands being used to construct the Eustaquio tailings facility at Paracatu. As part of the lawsuit, the FPA had applied for an injunction seeking to enjoin the issuance by the state authority of the permit to operate the Eustaquio tailings facility, which remains under construction. The FPA's injunction was denied and the permit to operate was issued. However, the lawsuit is pending and, if successful, it is possible that the license to operate could be suspended in the future. Based on the remaining capacity of the existing San Antonio tailing facility, the Eustaquio tailing facility must be available for use by year-end 2012 in order to maintain continuing operations. If the the FPA's lawsuit is successful and the license to operate is suspended, the appeal process is expected to take up to six months. The Company continues to vigorously oppose the lawsuit and, if the Company is unsuccessful, it will vigorously pursue an appeal. The Company believes that the lawsuit by the FPA should not be successful.

Title to Properties and Community Relations

The validity of mining claims which constitute most of Kinross' property holdings may, in certain cases, be uncertain and subject to being contested. Kinross' titles, particularly title to undeveloped properties, may be defective and open to being challenged by governmental authorities and local communities.

Certain of Kinross' properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous people. The presence of community stakeholders may also impact on the Company's ability to develop or operate its mining properties. In certain circumstances, consultation with such stakeholders may be required and the outcome may affect the Company's ability to develop or operate its mining properties.

Competition

The mineral exploration and mining business is competitive in all of its phases. Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Kinross, in the search for and the acquisition of attractive mineral properties. The ability of the Company to operate successfully in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. Kinross may be unable to compete successfully with its competitors in acquiring such properties or prospects on terms it considers acceptable, if at all.

Joint Ventures

Certain of the operations in which the Company has an interest are operated through joint ventures with other mining companies. Any failure of such other companies to meet their obligations to Kinross or to third parties could have a material adverse effect on the joint venture. In addition, Kinross may be unable to exert control over strategic decisions made in respect of such properties.

Disclosures About Market Risks

To determine its market risk sensitivities, Kinross uses an internally generated financial forecast model that is sensitized to various gold prices, currency exchange rates, interest rates and energy prices. The variable with the greatest impact is the gold price, and Kinross prepares a base case scenario and then sensitizes it by a 10% increase and decrease in the gold price. For 2012, sensitivity to a 10% change in the gold price is estimated to have

a $370.0 million impact on pre-tax earnings. Kinross' financial forecast covers the projected life of its mines. In each year, gold is produced according to the mine plan. Additionally, for 2012, sensitivity to a 10% change in the silver price is estimated to have a $23.0 million impact on pre-tax earnings. Costs are estimated based on current production costs plus the impact of any major changes to the operation during its life.

Interest Rate Fluctuations

Fluctuations in interest rates can affect the Company's results of operations and cash flow. The Company's corporate revolving credit and term loan facilities and the Kupol project financing are subject to variable interest rates.

Hedging Risks

The Company's earnings can vary significantly with fluctuations in the market price of gold and silver. At various times, in response to market conditions, Kinross has entered into gold forward sales contracts, spot deferred forward sales contracts, purchased put options and written call options for some portion of expected future production in an attempt to mitigate the risk of adverse price fluctuations. Kinross is not subject to margin requirements on any of its hedging lines. Kinross has made the decision not to continue with a comprehensive gold hedging program. On occasion, however, the Company may enter into forward sales contracts or similar instruments if hedges are acquired in a business acquisition, if hedges are required under project financing requirements, or when deemed advantageous by management. As a result of the acquisition of Bema in 2007, the Company acquired a portfolio of hedge contracts for gold and silver related to the Kupol project financing. All outstanding gold and silver hedge contracts were closed out and early settled in 2011. In addition, purchased silver put options and written silver call options with respect to the production at the Puren deposit in Chile matured in 2011. As at December 31, 2011, there were no gold and silver derivative financial instruments outstanding.

Foreign Currency Exchange Risk

Currency fluctuations may affect the revenues which the Company will realize from its operations since gold is sold in the world market in United States dollars. The costs of Kinross are incurred principally in Canadian dollars, United States dollars, Chilean pesos, Brazilian reais, Russian roubles, Mauritanian ouguiya and Ghanaian cedis. The appreciation of non-U.S. dollar currencies against the U.S. dollar increases the cost of gold production in U.S. dollar terms. Kinross' results are positively affected when the U.S. dollar strengthens against these foreign currencies and are adversely affected when the U.S. dollar weakens against these foreign currencies. Where possible, Kinross' cash and cash equivalent balances are primarily held in U.S. dollars. From time to time, Kinross transacts currency hedging to reduce the risk associated with currency fluctuations. While the Chilean peso, Brazilian real, and Russian rouble are currently convertible into Canadian and United States dollars, they may not always be convertible in the future. The Mauritanian ouguiya and Ghanian cedis are convertible into Canadian and United States dollars, but conversion may be subject to regulatory and/or central bank approval.

The sensitivity of the Company's pre-tax earnings to changes in the U.S dollar is disclosed in Note 12 of the Company's audited consolidated financial statements for 2011.

Credit, Counterparty and Liquidity Risk

Counterparty risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. The Company is subject to counterparty risk and may be impacted, in the event that a counterparty becomes insolvent. To manage both counterparty and credit risk, the Company proactively manages its exposure to individual counterparties. The Company only transacts with highly-rated counterparties. A limit on contingent exposure has been established for each counterparty based on the counterparty's credit rating, and the Company monitors the financial condition of each counterparty.

Credit risk relates to cash and cash equivalents, accounts receivable, and derivative contracts and arises from the possibility that a counterparty to an instrument fails to perform.

As at December 31, 2011, the Company's gross credit exposure, including cash and cash equivalents, was $1,970.5 million and at December 31, 2010, the gross credit exposure, including cash and cash equivalents, was $1,720.2 million.

To manage liquidity risk, the Company maintains cash positions and has financing in place that the Company expects will be sufficient to meet its operating and capital expenditure requirements. Potential sources for liquidity could include, but are not limited to: the Company's current cash position, existing credit facilities, future operating cash flow, and potential private and public financing. Additionally, the Company reviews its short-term operational forecasts regularly and long-term budgets to determine its cash requirements.

Shortages and Price Volatility of Input Commodities and Equipment

The Company is dependent on various commodities (such as diesel fuel, electricity, natural gas, steel, concrete and cyanide) and equipment to conduct its mining operations and development projects. The shortage of such commodities, equipment and parts or a significant increase in their cost could have a material adverse effect on the Company's ability to carry out its operations and therefore limit, or increase the cost of, production. The Company is also dependent on access to and supply of water to carry out its mining operations, and such access and supply may not be readily available, especially at the Company's operations in Chile. Market prices of commodities can be subject to volatile price movements which can be material, occur over short periods of time and are affected by factors that are beyond the Company's control. An increase in the cost, or decrease in the availability, of input commodities, equipment or parts may affect the timely conduct and cost of Kinross' operations and development projects. If the costs of certain commodities consumed or otherwise used in connection with Kinross' operations and development projects were to increase significantly, and remain at such levels for a substantial period, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, which could have an adverse impact on the Company's financial performance and results of operations.

Potential for Incurring Unexpected Costs or Liabilities as a Result of Acquisitions

Although the Company has conducted investigations in connection with recent acquisitions, risks remain regarding any undisclosed or unknown liabilities associated with these acquisitions. The Company may discover that it has acquired substantial undisclosed liabilities. The Company may have little recourse against the seller if any of the representations or warranties provided in connection with these acquisitions proves to be inaccurate. Such liabilities could have an adverse impact on the Company's business, financial condition, results of operations and cash flows.

Global Financial Condition

The current volatility in the global financial markets combined with weakness in the global economy continues to impact the profitability and liquidity of businesses in most industries. The fallout from the current global financial and economic crisis has resulted in the following conditions, which may have an impact on the profitability and cash flows of the Company:

- Volatility in commodity prices and foreign exchange rates;
- Tightening of credit markets;
- Increased counterparty risk; and
- Volatility in the prices of publicly traded entities.

The volatility in commodity prices and foreign exchange rates directly impact the Company's revenues, earnings and cash flows, as noted above in the sections titled "Gold Price and Silver Price" and "Foreign Currency Exchange Risk".

Although the tighter credit markets have restricted the ability of certain companies to access capital, to date this has not had an impact on the Company's liquidity. The Company re-negotiated its revolving credit facility

agreement in 2011 to increase the amount of available credit to $1.2 billion and extended its term to March 2015; as at December 31, 2011, the Company had $1,145.4 million available under its credit facility arrangements. Also, in August 2011, the Company completed a $1.0 billion offering of debt securities, consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021, and $250.0 million principal amount of 6.875% senior notes due 2041. Additionally, in December 2011, the Company completed the funding of the $200.0 million non-recourse loan from a group of international financial institutions. However, continued tightening of credit markets may impact the ability of the Company to obtain equity or debt financing in the future on terms favourable to the Company.

The Company has not experienced any difficulties to date with respect to the counterparties it transacts with. The counterparties continue to be highly rated and as noted above, the Company has employed measures to reduce the impact of counterparty risk.

Continued volatility in equity markets may have an impact on the value of publicly listed companies in Kinross' equity portfolio. Should declines in the equity values continue and are deemed to be other than temporary, impairment losses may result.

Market Price Risk

The Kinross common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange ("NYSE"). The price of the Kinross common shares is likely to be significantly affected by short-term changes in the gold price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of Kinross that may have an effect on the price of the Kinross common shares include the following: a reduction in analytical coverage of Kinross by investment banks with research capabilities; a drop in trading volume and general market interest in the securities of Kinross may adversely affect an investor's ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in Kinross; a failure of Kinross to meet the reporting and other obligations under Canadian and U.S. securities laws or imposed by the exchanges could result in a delisting of the Kinross common shares; and a substantial decline in the price of the Kinross common shares that persists for a significant period of time could cause the Kinross common shares to be delisted from the NYSE further reducing market liquidity.

As a result of any of these factors, the market price of its common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation has been brought against companies following periods of volatility or significant decline in the market price of their securities. Kinross may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Goodwill Impairment

Kinross evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. This evaluation involves a comparison of the estimated fair value less costs to sell of Kinross' CGUs to their carrying values. The fair values of its CGUs are based, in part, on certain factors that may be partially or totally outside of Kinross' control. Kinross' fair value estimates are based on numerous assumptions and it is possible that actual fair value could be significantly different than those estimates. In connection with Kinross' 2011 evaluation, Kinross has recorded a goodwill impairment charge of $2.937.6 million, which relates to goodwill at Tasiast and Chirano. In the absence of any mitigating valuation factors, Kinross' failure to achieve its valuation assumptions or declines in the fair values of its CGUs may, over time, result in further impairment charges.

12. SUPPLEMENTAL INFORMATION

Reconciliation of non-GAAP financial measures

The Company has included certain non-GAAP financial measures in this document. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

Adjusted Net Earnings Attributed to Common Shareholders and Adjusted Net Earnings per Share

Adjusted net earnings attributed to common shareholders and adjusted net earnings per share are non-GAAP measures which determine the performance of the Company, excluding certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period, such as the impact of foreign exchange gains and losses, reassessment of prior year taxes and/or taxes otherwise not related to the current period, impairment charges, gains and losses and other one-time costs related to acquisitions, dispositions and other transactions, and non-hedge derivative gains and losses. Although some of the items are recurring, the Company believes that they are not reflective of the underlying operating performance of its current business and are not necessarily indicative of future operating results. Management believes that these measures, which are used internally to assess performance and in planning and forecasting future operating results, provide investors with the ability to better evaluate underlying performance particularly since the excluded items are typically not included in public guidance. However, adjusted net earnings and adjusted net earnings per share measures are not necessarily indicative of net earnings (loss) and earnings (loss) per share measures as determined under IFRS.

The following table provides a reconciliation of consolidated net earnings (loss) to adjusted net earnings for the periods presented:

(in US$ millions)	Year ended December 31 **2011**	2010
Net earnings (loss) attributed to common shareholders - as reported	**$ (2,073.6)**	$ 759.7
Adjusting items:		
Foreign exchange (gains) losses	**(12.0)**	0.2
Non-hedged derivatives gains - net of tax	**(60.0)**	(53.6)
Gains on acquisition/disposition of assets and investments - net of tax	**(26.5)**	(572.2)
Red Back acquisition costs	**-**	41.5
Impairment charges	**2,937.6**	290.7
Reclamation and remediation expense - net of tax	**12.2**	6.3
Change in deferred income tax due to change in Chile's corporate income tax rate	**-**	(2.2)
Inventory fair value adjustment - net of tax	**9.7**	9.4
Taxes on repatriation of certain foreign earnings	**46.6**	20.0
Taxes in respect of prior years	**(33.6)**	6.6
FX (gain) loss on translation of tax basis and FX on deferred income taxes within income tax expense	**71.4**	(20.0)
	2,945.4	(273.3)
Net earnings attributed to common shareholders - Adjusted	**$ 871.8**	$ 486.4
Weighted average number of common shares outstanding - Basic	**1,136.0**	824.5
Net earnings per share - Adjusted	**$ 0.77**	$ 0.59

Adjusted Operating Cash Flow

The Company makes reference to a non-GAAP measure for adjusted operating cash flow. Adjusted operating cash flow is defined as cash flow from operations excluding certain impacts which the Company believes are not reflective of the Company's regular operating cash flow and excluding changes in working capital. Working capital can be volatile due to numerous factors, including the timing of tax payments, and in the case of Kupol, a build-up of inventory due to transportation logistics. The Company uses adjusted operating cash flow internally as a measure of the underlying operating cash flow performance and future operating cash flow-generating capability of the Company. However, the adjusted operating cash flow measure is not necessarily indicative of net cash flow from operations as determined under IFRS.

The following table provides a reconciliation of adjusted cash flow from operations for the periods presented:

(in millions)	Year ended December 31, **2011**	2010
Cash flow provided from operating activities - as reported	**$ 1,416.9**	$ 1,002.2
Adjusting items:		
Close out and early settlement of derivative instruments	**48.7**	-
Working capital changes:		
Accounts receivable and other assets	**118.0**	87.9
Inventories	**233.7**	96.5
Accounts payable and other liabilities, including taxes	**(218.6)**	(77.0)
	181.8	107.4
Adjusted operating cash flow	**$ 1,598.7**	$ 1,109.6
Weighted average number of common shares outstanding - Basic	**1,136.0**	824.5

Consolidated and Attributable Production Cost of Sales per Equivalent Ounce Sold

Consolidated production cost of sales per gold equivalent ounce sold is a non-GAAP measure and is defined as production cost of sales as per the consolidated financial statements divided by the total number of gold equivalent ounces sold. This measure converts the Company's non-gold production into gold equivalent ounces and credits it to total production.

Attributable production cost of sales per gold equivalent ounce sold is a non-GAAP measure and is defined as attributable production cost of sales divided by the attributable number of gold equivalent ounces sold. This measure converts the Company's non-gold production into gold equivalent ounces and credits it to total production.

Management uses these measures to monitor and evaluate the performance of its operating properties.

(in millions)	Year ended December 31, 2011	2010
Production cost of sales	**$ 1,596.4**	$ 1,249.0
Less: portion attributable to Kupol non-controlling interest [(a)]	**(21.0)**	(59.1)
Less: portion attributable to Chirano non-controlling interest	**(18.2)**	(5.2)
Attributable production cost of sales	**1,557.2**	1,184.7
Gold equivalent ounces sold	**2,701,358**	2,537,175
Less: portion attributable to Kupol non-controlling interest [(a)]	**(63,802)**	(185,141)
Less: portion attributable to Chirano non-controlling interest	**(26,269)**	(8,529)
Attributable equivalent gold ounces sold	**2,611,287**	2,343,505
Production cost of sales per gold equivalent ounce sold	**$ 591**	$ 492
Attributable production cost of sales per gold equivalent ounce sold	**$ 596**	$ 506

(a) On April 27, 2011, Kinross acquired the remaining 25% of CMGC, and thereby obtained 100% ownership of Kupol. As such, the results up to April 27, 2011 reflect 75% and results thereafter reflect 100%.

Attributable Production Cost of Sales per Ounce Sold on a By-Product Basis

Attributable production cost of sales per ounce sold on a by-product basis is a non-GAAP measure which calculates the Company's non-gold production as a credit against its per ounce production costs, rather than converting its non-gold production into gold equivalent ounces and crediting it to total production, as is the case in co-product accounting. Management believes that this measure provides investors with the ability to better evaluate Kinross' production cost of sales per ounce on a comparable basis with other major gold producers who routinely calculate their cost of sales per ounce using by-product accounting rather than co-product accounting.

The following table provides a reconciliation of attributable production cost of sales per ounce sold on a by-product basis for the periods presented:

(in millions)	Year ended December 31, 2011	2010
Production cost of sales	**$ 1,596.4**	$ 1,249.0
Less: portion attributable to Kupol non-controlling interest [(a)]	**(21.0)**	(59.1)
Less: portion attributable to Chirano non-controlling interest	**(18.2)**	(5.2)
Less: attributable silver sales	**(283.0)**	(179.8)
Attributable production cost of sales net of silver by-product revenue	**$ 1,274.2**	$ 1,004.9
Gold ounces sold	**2,425,946**	2,352,044
Less: portion attributable to Kupol non-controlling interest [(a)]	**(49,299)**	(158,407)
Less: portion attributable to Chirano non-controlling interest	**(26,155)**	(8,504)
Attributable gold ounces sold	**2,350,492**	2,185,133
Attributable production cost of sales per ounce sold on a by-product	**$ 542**	$ 460

(a) On April 27, 2011, Kinross acquired the remaining 25% of CMGC, and thereby obtained 100% ownership of Kupol. As such, the results up to April 27, 2011 reflect 75% and results thereafter reflect 100%.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this Management's Discussion and Analysis, but not limited to, any information as to the future financial or operating performance of Kinross, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and the provisions for

"safe harbour" under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this Management's Discussion and Analysis. Forward-looking statements include, without limitation, statements with respect to possible events, the future price of gold and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words "plans", "proposes", "expects" or "does not expect", "is expected", "budget", "scheduled", "timeline", "envision", "estimates", "forecasts", "goal", "guidance", "opportunity", "objective", "outlook", "potential", "prospects", "targets", "models", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might", or "will be taken", "occur" or "be achieved" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of Kinross referenced, contained or incorporated by reference in this Management's Discussion and Analysis, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our most recently filed Annual Information Form and our most recently filed Management's Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company or any entity in which it now or hereafter directly or indirectly holds an investment, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and acquisitions at Paracatu (including, without limitation, land acquisitions and permitting for the construction and operation of the new tailings facility) being consistent with our current expectations; (3) development of and production from the Phase 7 pit expansion and heap leach project at Fort Knox continuing on a basis consistent with Kinross' current expectations; (4) the viability, permitting and development of the Fruta del Norte deposit, and its continuing ownership by the Company, being consistent with Kinross' current expectations; (5) political and legal developments in any jurisdiction in which the Company, or any entity in which it now or hereafter directly or indirectly holds an investment, operates being consistent with its current expectations including, without limitation, the implementation of Ecuador's new mining and investment laws and related regulations and policies, and negotiation of an exploitation contract and an investment protection contract with the government, being consistent with Kinross' current expectations; (6) permitting, construction, development and production at Cerro Casale being consistent with the Company's current expectations; (7) the viability, permitting and development of the Lobo-Marte project, including, without limitation, the metallurgy and processing of its ore, being consistent with our current expectations; (8) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and the U.S. dollar being approximately consistent with current levels; (9) certain price assumptions for gold and silver; (10) prices for natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (11) production and cost of sales forecasts for the Company, and entities in which it now or hereafter directly or indirectly holds an investment, meeting expectations; (12) the accuracy of the current mineral reserve and mineral resource estimates of the Company and any entity in which it now or hereafter directly or indirectly holds an investment; (13) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (14) the development of the Dvoinoye and Vodorazdelnaya deposits being consistent with Kinross' expectations; (15) the viability of the Tasiast and Chirano mines, and the permitting, development and expansion of the Tasiast and Chirano mines on a basis consistent with Kinross' current expectations, including but not limited to the terms and conditions of the legal and fiscal stability agreements for these operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; and (16) access to capital markets, including but not limited to securing partial project financing for the Dvoinoye, Fruta del Norte and the Tasiast expansion projects, being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates or gold or silver lease rates that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations; risks

arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, including but not limited to income tax, advance income tax, stamp tax withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, royalty, excise tax, customs/import or export duties, asset taxes, asset transfer tax, property use or other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes, controls, policies and regulations; the security of personnel and assets; political or economic developments in Canada, the United States, Chile, Brazil, Russia, Ecuador, Mauritania, Ghana or other countries in which Kinross, or entities in which it now or hereafter directly or indirectly holds an interest, do business or may carry on business; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions and complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; commencement of litigation against the Company including, but not limited to, securities class action in Canada and/or the U.S., the speculative nature of gold exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, Kinross' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this Management's Discussion and Analysis are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada and the United States including, but not limited to, the cautionary statements made in the "Risk Factors" section of our most recently filed Annual Information Form and Management Discussion and Analysis for the year ended December 31, 2010. These factors are not intended to represent a complete list of the factors that could affect Kinross. Kinross disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Key Sensitivities

Approximately 60%-70% of the Company's costs are denominated in U.S. dollars.

A 10% change in foreign exchange could result in an approximate $5 impact in production cost of sales per ounce. (6)

A $10 change in the price of oil could result in an approximate $2 impact on production cost of sales per ounce.

The impact on royalties of a $100 change in the gold price could result in an approximate $4 impact on production cost of sales per ounce.

Other information

Where we say "we", "us", "our", the "Company", or "Kinross" in this Management's Discussion and Analysis, we mean Kinross Gold Corporation and/or one or more or all of its subsidiaries, as may be applicable.

The technical information about the Company's material mineral properties contained in this Management's Discussion and Analysis has been prepared under the supervision of Mr. Rob Henderson, an officer of the Company who is a "qualified person" within the meaning of National Instrument 43-101. The technical information about the Company's drilling and exploration activities contained in this document has been prepared under the supervision of Dr. Glen Masterman, an officer with the Company who is a "qualified person" within the meaning of National Instrument 43-101.

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(6) *Refers to all of the currencies in the countries where the Company has mining operations, fluctuating simultaneously by 10% in the same direction, either appreciating or depreciating, taking into consideration the impact of hedging and the weighting of each currency within our consolidated cost structure.*

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements, the notes thereto and other financial information contained in the Management Discussion and Analysis have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are the responsibility of the management of Kinross Gold Corporation. The financial information presented elsewhere in the Management Discussion and Analysis is consistent with the data that is contained in the consolidated financial statements. The consolidated financial statements, where necessary, include amounts which are based on the best estimates and judgment of management.

In order to discharge management's responsibility for the integrity of the financial statements, the Company maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility. The system of internal controls is further supported by a compliance function, which is designed to ensure that we and our employees comply with securities legislation and conflict of interest rules.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Audit Committee, which is composed of non-executive directors, meets with management as well as the external auditors to ensure that management is properly fulfilling its financial reporting responsibilities to the Directors who approve the consolidated financial statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal controls and review financial reporting issues.

The consolidated financial statements have been audited by KPMG LLP, the independent registered public accounting firm, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States).

/s/ TYE W. BURT
Tye W. Burt
President and Chief Executive Officer

/s/ PAUL H. BARRY
Paul H. Barry
Executive Vice President and Chief Financial Officer

INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Kinross Gold Corporation

We have audited the accompanying consolidated financial statements of Kinross Gold Corporation, which comprise the consolidated balance sheets as at December 31, 2011, December 31, 2010 and January 1, 2010, the consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Kinross Gold Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants

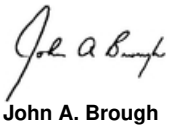
Toronto, Canada
February 15, 2012

CONSOLIDATED BALANCE SHEETS

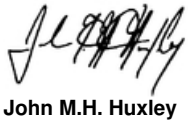
(expressed in millions of United States dollars, except share amounts)		**As at December 31, 2011**	As at December 31, 2010 (Notes 6 (iii), 22)	As at January 1, 2010 (Note 22)
Assets				
Current assets				
Cash and cash equivalents	Note 7	**$ 1,766.0**	$ 1,466.6	$ 597.4
Restricted cash	Note 7	**62.1**	2.1	24.3
Short-term investments		**1.3**	-	35.0
Accounts receivable and other assets	Note 7	**309.4**	329.4	135.5
Inventories	Note 7	**976.2**	731.6	554.4
Unrealized fair value of derivative assets	Note 11	**2.8**	133.4	44.3
		3,117.8	2,663.1	1,390.9
Non-current assets				
Property, plant and equipment	Note 7	**8,959.4**	7,884.6	4,836.7
Goodwill	Note 7	**3,420.3**	6,357.9	1,179.9
Long-term investments	Note 7	**79.4**	203.8	157.8
Investments in associates and Working Interest	Note 10	**502.5**	467.5	150.7
Unrealized fair value of derivative assets	Note 11	**1.1**	2.6	1.9
Deferred charges and other long-term assets	Note 7	**406.4**	204.6	158.4
Deferred tax assets	Note 18	**21.9**	11.1	-
		$ 16,508.8	$ 17,795.2	$ 7,876.3
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	Note 7	**$ 575.3**	$ 409.0	$ 287.6
Current tax payable	Note 18	**82.9**	87.6	24.4
Current portion of long-term debt	Note 13	**32.7**	48.4	177.0
Current portion of provisions	Note 14	**38.1**	23.4	17.1
Current portion of unrealized fair value of derivative liabilities	Note 11	**66.7**	407.7	214.6
		795.7	976.1	720.7
Non-current liabilities				
Long-term debt	Note 13	**1,600.4**	426.0	475.8
Provisions	Note 14	**597.1**	577.8	448.5
Unrealized fair value of derivative liabilities	Note 11	**32.7**	97.0	290.0
Other long-term liabilities		**133.1**	115.0	50.7
Deferred tax liabilities	Note 18	**879.1**	810.0	234.3
		4,038.1	3,001.9	2,220.0
Equity				
Common shareholders' equity				
Common share capital and common share purchase warrants	Note 15	**$ 14,656.6**	$ 14,576.4	$ 6,379.3
Contributed surplus		**81.4**	185.5	107.4
Accumulated deficit		**(2,249.9)**	(51.5)	(740.6)
Accumulated other comprehensive loss	Note 7	**(97.7)**	(179.3)	(218.4)
		12,390.4	14,531.1	5,527.7
Non-controlling interest	Note 7	**80.3**	262.2	128.6
		12,470.7	14,793.3	5,656.3
Commitments and contingencies	Note 20			
		$ 16,508.8	$ 17,795.2	$ 7,876.3

Common shares			
Authorized	**Unlimited**	Unlimited	Unlimited
Issued and outstanding	**1,137,732,344**	1,133,294,930	696,027,270

Signed on behalf of the Board:



John A. Brough
Director



John M.H. Huxley
Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF OPERATIONS

(expressed in millions of United States dollars, except share and per share amounts)		Years ended December 31, 2011	December 31, 2010 (Note 22)
Revenue			
Metal sales		**$ 3,943.3**	$ 3,010.1
Cost of sales			
Production cost of sales		**1,596.4**	1,249.0
Depreciation, depletion and amortization		**577.4**	551.5
Impairment charges	Note 8	**2,937.6**	-
Total cost of sales		**5,111.4**	1,800.5
Gross profit (loss)		**(1,168.1)**	1,209.6
Other operating costs		**64.4**	16.1
Exploration and business development	Note 8	**136.4**	400.6
General and administrative		**173.6**	144.0
Operating earnings (loss)		**(1,542.5)**	648.9
Other income - net	Note 7	**101.8**	614.3
Equity in losses of associates	Note 7	**(2.3)**	(1.9)
Finance income		**6.9**	5.8
Finance expense	Note 7	**(66.1)**	(62.2)
Earnings (loss) before taxes		**(1,502.2)**	1,204.9
Income tax expense - net	Note 18	**(510.8)**	(332.8)
Net earnings (loss)		**$ (2,013.0)**	$ 872.1
Attributed to non-controlling interest		**$ 60.6**	$ 112.4
Attributed to common shareholders		**$ (2,073.6)**	$ 759.7
Earnings (loss) per share			
Basic		**$ (1.83)**	$ 0.92
Diluted		**$ (1.83)**	$ 0.92
Weighted average number of common shares outstanding (millions)	Note 17		
Basic		**1,136.0**	824.5
Diluted		**1,136.0**	829.2

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(expressed in millions of United States dollars)		Years ended December 31, 2011	December 31, 2010 (Note 22)
Net earnings (loss)		**$ (2,013.0)**	$ 872.1
Other comprehensive income (loss), net of tax:	Note 7		
Change in fair value of investments [(a)]		**(36.9)**	313.1
Accumulated other comprehensive income related to investments sold [(b)]		**(30.2)**	(70.8)
Reclassification of accumulated OCI related to the investment in Red Back Mining Inc. [(b)]		**-**	(209.3)
Reclassification of accumulated OCI related to the investment in Underworld Resources Inc. [(b)]		**-**	(7.4)
Changes in fair value of derivative financial instruments designated as cash flow hedges [(c)]		**(66.0)**	(75.2)
Accumulated OCI related to derivatives settled [(d)]		**214.7**	88.7
		81.6	39.1
Total comprehensive income (loss)		**$ (1,931.4)**	$ 911.2
Attributed to non-controlling interest		**$ 60.6**	112.4
Attributed to common shareholders		**$ (1,992.0)**	$ 798.8

(a) Net of tax of $(4.2) million (2010 - $4.0 million)

(b) Net of tax of $nil (2010 - $nil)

(c) Net of tax of $(16.2) million (2010 - $13.5 million)

(d) Net of tax of $(13.8) million (2010 - $(13.2) million)

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in millions of United States dollars)	Years ended December 31, 2011	December 31, 2010 (Note 22)
Net inflow (outflow) of cash related to the following activities:		
Operating:		
Net earnings (loss)	**$ (2,013.0)**	$ 872.1
Adjustments to reconcile net earnings to net cash provided from (used in) operating activities:		
Depreciation, depletion and amortization	**577.4**	551.5
Gain on acquisition/disposition of assets and investments - net	**(24.8)**	(599.2)
Equity in losses of associates	**2.3**	1.9
Non-hedge derivative gains - net	**(59.1)**	(53.4)
Settlement of derivative instruments	**(48.7)**	-
Share-based compensation expense	**36.5**	32.5
Accretion expense	**54.6**	43.0
Deferred tax (recovery) expense	**108.4**	(39.1)
Foreign exchange (gains) losses and other	**(36.9)**	3.4
Reclamation expense	**15.7**	6.2
Impairment charges	**2,937.6**	290.7
Changes in operating assets and liabilities:		
Accounts receivable and other assets	**(118.0)**	(87.9)
Inventories	**(233.7)**	(96.5)
Accounts payable and accrued liabilities, excluding interest and taxes	**611.0**	364.3
Cash flow provided from operating activities	**1,809.3**	1,289.5
Income taxes paid	**(392.4)**	(287.3)
Net cash flow provided from operating activities	**1,416.9**	1,002.2
Investing:		
Additions to property, plant and equipment	**(1,651.5)**	(628.3)
Business acquisitions - net of cash acquired	**-**	545.5
Net proceeds from the sale of long-term investments and other assets	**101.4**	846.4
Additions to long-term investments and other assets	**(213.4)**	(617.8)
Net proceeds from the sale of property, plant and equipment	**2.1**	3.1
Disposal (additions) to short-term investments	**(1.3)**	35.0
Note received from Harry Winston	**70.0**	-
Decrease (increase) in restricted cash	**(60.0)**	22.2
Interest received	**7.9**	5.0
Other	**(3.2)**	2.6
Cash flow provided from (used in) investing activities	**(1,748.0)**	213.7
Financing:		
Issuance of common shares on exercise of options and warrants	**29.0**	15.9
Acquisition of CMGC 25% non-controlling interest	**(335.4)**	-
Proceeds from issuance of debt	**1,608.5**	127.3
Repayment of debt	**(482.1)**	(334.9)
Interest paid	**(10.0)**	(15.7)
Dividends paid to common shareholders	**(124.8)**	(70.6)
Dividends paid to non-controlling shareholder	**-**	(47.7)
Settlement of derivative instruments	**(43.6)**	(27.3)
Other	**(7.6)**	-
Cash flow provided from (used in) financing activities	**634.0**	(353.0)
Effect of exchange rate changes on cash and cash equivalents	**(3.5)**	6.3
Increase in cash and cash equivalents	**299.4**	869.2
Cash and cash equivalents, beginning of period	**1,466.6**	597.4
Cash and cash equivalents, end of period	**$ 1,766.0**	$ 1,466.6

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF EQUITY

(expressed in millions of United States dollars)	Years ended December 31, 2011	December 31, 2010 (Note 22)
Common share capital and common share purchase warrants		
Balance beginning of period	**$ 14,576.4**	$ 6,379.3
Shares issued on acquisition of properties	**3.8**	-
Shares issued on acquisition of Dvoinoye	**-**	173.9
Shares issued on acquisition of Red Back	**-**	7,678.3
Shares issued on acquisition of Underworld	**-**	117.7
Warrants issued on acquisition of Red Back	**-**	161.3
Common shares issued under employee share purchase plans	**6.2**	5.1
Transfer from contributed surplus on exercise of options and restricted share plan	**45.1**	48.4
Options and warrants exercised, including cash	**25.1**	12.4
Balance at the end of the period	**$ 14,656.6**	$ 14,576.4
Contributed surplus		
Balance beginning of period	**$ 185.5**	$ 107.4
Share-based compensation	**33.9**	30.1
Aurelian options exercised	**(3.9)**	(4.3)
Underworld options issued	**-**	5.3
Underworld options exercised	**(0.4)**	(2.8)
Red Back options issued	**-**	91.2
Red Back options exercised	**(19.0)**	(24.2)
Bema options exercised	**(0.1)**	-
Transfer of fair value of exercised options and restricted share plan	**(21.7)**	(17.2)
Acquisition of CMGC 25% non-controlling interest	**(92.9)**	-
Balance at the end of the period	**$ 81.4**	$ 185.5
Accumulated Deficit		
Balance beginning of period	**$ (51.5)**	$ (740.6)
Dividends paid	**(124.8)**	(70.6)
Net earnings (loss) attributed to common shareholders	**(2,073.6)**	759.7
Balance at the end of the period	**$ (2,249.9)**	$ (51.5)
Accumulated other comprehensive loss		
Balance beginning of period	**$ (179.3)**	$ (218.4)
Other comprehensive income	**81.6**	39.1
Balance at the end of the period	**$ (97.7)**	$ (179.3)
Total accumulated deficit and accumulated other comprehensive loss	**$ (2,347.6)**	$ (230.8)
Total common shareholders' equity	**$ 12,390.4**	$ 14,531.1
Non-controlling interest		
Balance beginning of period	**$ 262.2**	128.6
Net earnings attributed to non-controlling interest	**60.6**	112.4
Dividends paid	**-**	(47.7)
Amount allocated on acquisition of Red Back non-controlling interest	**-**	68.9
Acquisition of CMGC 25% non-controlling interest	**(242.5)**	-
Balance at end of the period	**$ 80.3**	$ 262.2
Total Equity	**$ 12,470.7**	$ 14,793.3

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2011 and 2010

(Tabular amounts in millions of United States dollars)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Kinross Gold Corporation and its subsidiaries and joint ventures (collectively, "Kinross" or the "Company") are engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, extraction and processing of gold-containing ore and reclamation of gold mining properties. Kinross Gold Corporation, the ultimate parent, is a public company incorporated and domiciled in Canada with a registered office at 25 York Street, 17th floor, Toronto, Ontario, Canada, M5J 2V5. Kinross' gold production and exploration activities are carried out principally in Canada, the United States, the Russian Federation, Brazil, Ecuador, Chile, Ghana and Mauritania. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a quantity of silver. The Company is listed on the Toronto Stock Exchange and the New York Stock Exchange.

The consolidated financial statements of the Company for the year ended December 31, 2011 were authorised for issue in accordance with a resolution of the directors on February 15, 2012.

2. BASIS OF PRESENTATION

These consolidated financial statements for the year ended December 31, 2011 ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are the Company's first annual consolidated financial statements prepared under IFRS and have been prepared in accordance with IFRS 1 "First Time Adoption of International Financial Reporting Standards" ("IFRS 1"). The Company's date of transition to IFRS and its opening IFRS balance sheet are as at January 1, 2010 (the "transition date").

These financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. The significant accounting policies are presented in Note 3 and have been consistently applied in each of the periods presented. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented in Note 5.

The Company's financial statements were previously prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP") which differs in some respects from IFRS. In preparing these financial statements, certain accounting and valuation methods previously applied under CDN GAAP were changed. The transition date balance sheet and the comparative amounts as at and for the year ended December 31, 2010 have been restated to reflect the accounting policies at December 31, 2011 with the exception of certain specific exemptions in accordance with IFRS 1. Significant first-time adoption optional exemptions elected and applied by the Company relate to the following:

- Business combinations;
- Reclamation and remediation obligations included in the cost of property, plant and equipment; and
- Borrowing costs.

The effect of these exemptions and the effect of the adjustments to the previously reported December 31, 2010 annual consolidated financial statements as a result of adopting IFRS are disclosed in Note 22 along with reconciliations between CDN GAAP and IFRS at the transition date and as at and for the year ended December 31, 2010.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Principles of consolidation

The significant mining properties and entities of Kinross are listed below. With the exception of Harry Winston Diamond Corporation ("Harry Winston") and the Diavik Diamond Mines joint venture ("Diavik"), all operating activities involve gold mining and exploration. Each of the significant entities has a December 31 year end with the exception of Harry Winston which has a January 31 year end.

Entity	Property/Segment	Location	As at December 31, 2011	As at December 31, 2010	As at January 1, 2010
Subsidiaries (Consolidated)					
Fairbanks Gold Mining, Inc.	Fort Knox	USA	**100%**	100%	100%
Kinross Brasil Mineração S.A.	Paracatu	Brazil	**100%**	100%	100%
Compania Minera Maricunga	Maricunga	Chile	**100%**	100%	100%
Compania Minera Mantos de Oro	La Coipa (h)	Chile	**100%**	100%	100%
Echo Bay Minerals Company	Kettle River - Buckhorn	USA	**100%**	100%	100%
Chukotka Mining and Geological Company (a)	Kupol	Russian Federation	**100%**	75%	75%
Northern Gold LLC/ Regionruda LLC (b)	Dvoinoye/Kupol	Russian Federation	**100%**	100%	-
Aurelian Ecuador S.A.	Fruta del Norte	Ecuador	**100%**	100%	100%
Minera Santa Rosa SCM	Lobo-Marte/ Corporate and Other	Chile	**100%**	100%	100%
Underworld Resources Inc. (c)	White Gold/ Corporate and Other	Canada	**100%**	100%	-
Tasiast Mauritanie Ltd. S.A. (d)	Tasiast	Mauritania	**100%**	100%	-
Chirano Gold Mines Ltd. (Ghana) (d)	Chirano	Ghana	**90%**	90%	-
Interests in jointly controlled entities (Proportionately consolidated)					
Round Mountain Gold Corporation	Round Mountain	USA	**50%**	50%	50%
Mineração Serra Grande S.A.	Crixás	Brazil	**50%**	50%	50%
Compania Minera Casale (e)	Cerro Casale/ Corporate and Other	Chile	**-**	-	50%
Investments in associates (Equity accounted)					
Compania Minera Casale (e)	Corporate and Other	Chile	**25%**	25%	-
Harry Winston Diamond Corporation (f)	Corporate and Other		**-**	-	19.9%
Working Interest (Pro-rata share of earnings)					
Diavik Diamond Mines joint venture (g)	Corporate and Other		**-**	-	22.5%

(a) On April 27, 2011, Kinross' ownership in Chukotka Mining and Geological Company ("CMGC") increased to 100%. See Note 6(ii).

(b) On August 27, 2010, Dvoinoye was acquired with the acquisition of Northern Gold LLC and Regionruda LLC. See Note 6(viii). As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment.

(c) On April 26, 2010, 81.6% of White Gold was acquired with the acquisition of Underworld Resources Inc. ("Underworld"). The remaining 18.4% was acquired on June 30, 2010. See Note 6(v).

(d) Interests in the Tasiast and Chirano mines were acquired with the acquisition of Red Back Mining Inc. ("Red Back") on September 17, 2010. See Note 6(iii).

(e) On March 31, 2010, one-half of the Company's 50% interest in Cerro Casale was sold. See Note 6(iv). The retained 25% interest as at December 31, 2010 and December 31, 2011 is accounted for using the equity method.

(f) On July 23, 2010, the Company sold its equity interest in Harry Winston. See Note 6(vi).

(g) On August 25, 2010, the Company sold its Working Interest in Diavik. See Note 6(vii).

(h) Includes Sociedad Contractual Minera Puren which is proportionately consolidated in the La Coipa segment.

(a) Subsidiaries

Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation.

(b) Joint Ventures

The Company conducts a portion of its business through joint ventures where the venturers are bound by contractual arrangements establishing joint control over the ventures requiring unanimous consent of each of the venturers regarding strategic, financial and operating polices of the venture. The Company undertakes its joint ventures through jointly controlled entities, being corporations, partnerships or other unincorporated entities in which each venturer has an interest. Jointly controlled entities operate in the same way as other entities, controlling the assets of the venture, earning its own income and incurring liabilities and expenses. The Company's interests in its jointly controlled entities are accounted for using proportionate consolidation.

(c) Associates

Associates are entities, including unincorporated entities such as partnerships, over which the Company has significant influence and that are neither subsidiaries nor interests in joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company's representation on the board of directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates are equity accounted for from the effective date of commencement of significant influence to the date that the company ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent audited annual financial statements or interim financial statements. Losses from associates are recognized in the consolidated financial statements until the interest in the associate is written down to nil. Thereafter, losses are recognized only to the extent that the Company is committed to providing financial support to such associates.

The carrying value of the investment in an associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses, accumulated other comprehensive income ("AOCI") and any impairment losses. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired.

(d) Working Interest

Until August 25, 2010, the date of disposition of the Company's Working Interest in Diavik, earnings from the Working Interest were accounted for based on Kinross' pro-rata share of earnings in the underlying entity.

ii. Functional and presentation currency

The functional and presentation currency of the Company is the United States dollar.

Transactions denominated in foreign currencies are translated into the United States dollar as follows:

- Foreign currency transactions are recognized initially at the exchange rate at the date of the transaction;

- Monetary assets and liabilities are translated at the rates of exchange at the consolidated balance sheet date;
- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date;
- Revenue and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, depletion and amortization, which are translated at the rates of exchange applicable to the related assets, and share-based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation; and
- Exchange gains and losses on translation are included in earnings.

When the gain or loss on certain non-monetary items, such as long-term investments classified as available-for-sale, is recognized in other comprehensive income ("OCI"), the translation differences are also recognized in OCI.

For those subsidiaries, joint ventures or associates whose functional currency differs from the United States dollar, foreign currency balances and transactions are translated into the United States dollar as follows:

- Assets and liabilities are translated at the rates of exchange at the consolidated balance sheet date;
- Revenue and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; items such as depreciation are translated at the rate implicit in the historical rate applied to the related asset; and
- Exchange gains and losses on translation are included in OCI.

The exchange gains and losses are recognized in earnings upon the substantial disposition, liquidation or closure of the entity that gave rise to such amounts.

iii. Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is cash held in banks that is not available for general corporate use.

iv. Short-term investments

Short-term investments include short-term money market instruments with terms to maturity at the date of acquisition of between three and twelve months. The carrying value of short-term investments is equal to cost and accrued interest.

v. Long-term investments

Investments in entities that are not subsidiaries, joint ventures or investments in associates are designated as available-for-sale investments. These investments are measured at fair value on acquisition and at each reporting date. Any unrealized holding gains and losses related to these investments are excluded from net earnings and are included in OCI until an investment is sold and gains or losses are realized, or there is objective evidence that the investment is impaired. When there is evidence that an investment is impaired, the cumulative loss that was previously recognized in OCI is reclassified from AOCI to the consolidated statement of operations.

vi. Inventories

Inventories consisting of metal in circuit ore, metal in-process and finished metal are valued at the lower of cost or net realizable value ("NRV"). NRV is calculated as the difference between the estimated gold prices based on prevailing and long-term metal prices and estimated costs to complete production into a saleable form.

Metal in circuit is comprised of ore in stockpiles and ore on heap leach pads. Ore in stockpiles is coarse ore that has been extracted from the mine and is available for further processing. Costs are added to stockpiles based on the current mining cost per tonne and removed at the average cost per tonne. Costs are added to ore on the heap leach pads based on current mining costs and removed from the heap leach pads as ounces are recovered, based on the average cost per recoverable ounce of gold on the leach pad. Ore in stockpiles not expected to be processed in the next twelve months is classified as long-term.

In-process inventories represent materials that are in the process of being converted to a saleable product.

The quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the leach pads to the quantities of gold actually recovered (metallurgical balancing); however, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write downs to NRV are accounted for on a prospective basis. The ultimate recovery of gold from a leach pad will not be known until the leaching process has concluded. In the event that the Company determines, based on engineering estimates, that a quantity of gold contained in ore on leach pads is to be recovered over a period exceeding twelve months, that portion is classified as long-term.

In process and finished metal inventories, comprised of gold and silver doré and bullion, are valued at the lower of the average production cost of sales applicable to the related processing cycle and NRV.

Materials and supplies are valued at the lower of average cost and NRV.

Write downs of inventory are recognized in the consolidated statement of operations in the current period. The Company reverses write downs in the event that there is a subsequent increase in NRV.

vii. Borrowing costs

Borrowing costs are generally expensed as incurred except where they relate to the financing of qualifying assets that require a substantial period of time to get ready for their intended use. Qualifying assets include the cost of developing mining properties and constructing new facilities. Borrowing costs related to qualifying assets are capitalized up to the date when the asset is ready for its intended use.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred net of any investment income earned on the investment of those borrowings. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

viii. Business combinations

Business combinations occurring on or after January 1, 2010 are accounted for in accordance with IFRS as stated in the policy below. Business combinations occurring before this date have been accounted for in accordance with CDN GAAP and have not been restated (see Note 22).

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the exploration and development stage, and thus, may not have outputs, the

Company considers other factors to determine whether the set of activities and assets is a business. Those factors include, but are not limited to, whether the set of activities and assets:

- has begun planned principal activities;
- has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- is pursuing a plan to produce outputs; and
- will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities and assets in the development stage to qualify as a business.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units ("CGUs"). Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of operations.

Where a business combination is achieved in stages, previously held equity interests in the acquiree are re-measured at acquisition-date fair value and any resulting gain or loss is recognized in the consolidated statement of operations.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they must be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

If the assets acquired are not a business, the transaction is accounted for as an asset acquisition.

ix. Goodwill

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the acquisition amount over such fair value being recorded as goodwill and allocated to CGUs. CGUs are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each individual mineral property that is an operating or development stage mine is typically a CGU for goodwill impairment testing purposes.

Goodwill arises principally because of the following factors: (1) the going concern value of the Company's capacity to sustain and grow by replacing and augmenting reserves through completely new discoveries; (2) the ability to capture buyer-specific synergies arising upon a transaction; (3) the optionality (real option value associated with the portfolio of acquired mines as well as each individual mine) to develop additional higher-cost reserves, to intensify efforts to develop the more promising acquired properties and to reduce efforts at developing the less promising acquired properties in the future (this optionality may result from changes in the overall economics of an individual mine or a portfolio of mines, largely driven by changes in the gold price); and (4) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of the assets acquired and liabilities assumed in a business combination.

On an annual basis, as at December 31, and at any other time if events or changes in circumstances indicate that the recoverable amount of a CGU has been reduced below its carrying amount, the carrying amount of the CGU is evaluated for potential impairment. If the carrying amount of the CGU exceeds its recoverable amount, an impairment is considered to exist and an impairment loss is recognized to reduce the carrying value to its recoverable amount.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs to sell.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result (usually lower) to a fair value calculation.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate to arrive at a net present value or net asset value ("NAV") of the asset.

Estimates of expected future cash flows reflect estimates of future revenues, cash costs of production and capital expenditures contained in the Company's long-term life of mine ("LOM") plans, which are updated for each CGU on an annual basis. The Company's LOM plans are based on detailed research, analysis and modeling to maximize the NAV of each CGU. As such, these plans consider the optimal level of investment, overall production levels and sequence of extraction taking into account all relevant characteristics of the ore body, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties impacting process recoveries, capacities of available extraction, haulage and processing equipment, and other factors. Therefore, the LOM plan is an appropriate basis for forecasting production output in each future year and the related production costs and capital expenditures. The LOM plans have been determined using cash flow projection from financial budgets approved by senior management covering a 6 year to 45 year period.

Projected future revenues reflect the forecast future production levels at each of the Company's CGUs as detailed in the LOM plans. These forecasts may include the production of mineralized material that does not currently qualify for inclusion in reserve or resource classification. This is consistent with the methodology used to measure value beyond proven and probable reserves when allocating the purchase price of a business combination to acquired mining assets. The fair value arrived at as described above, is the Company's estimate of fair value for accounting purposes and is not a "preliminary assessment" as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

Projected future revenues also reflect the Company's estimates of future metals prices, which are determined based on current prices, forward prices and forecasts of future prices prepared by industry analysts. These estimates often differ from current price levels, but the methodology used is consistent with how a market participant would assess future long-term metals prices. For the 2011 annual goodwill impairment analysis, estimated 2012, 2013 and long-term gold prices of $1,800, $1,740 and $1,250 per ounce, respectively, and estimated 2012, 2013 and long-term silver prices of $37.50, $36.00 and $22.00 per ounce, respectively, were used. For the 2010 annual goodwill impairment analysis, estimated 2011, 2012 and long-term gold prices of $1,400 $1,300 and $1,000 per ounce, respectively, and estimated 2011, 2012 and long-term silver prices of $25.90, $23.75 and $16.63 per ounce, respectively, were used. For the transition date goodwill impairment analysis, estimated 2010, 2011, and long-term gold prices of $1,075, $1,100 and $850 per ounce, respectively, and estimated 2010, 2011 and long-term silver prices of $17.69, $17.50 and $13.43 per ounce, respectively, were used.

The Company's estimates of future cash costs of production and capital expenditures are based on the LOM plans for each CGU. Costs incurred in currencies other than the US dollar are translated to US dollar equivalents based on long-term forecasts of foreign exchange rates, on a currency by currency basis, obtained from independent sources of economic data. Oil prices are a significant component of cash costs of production and are estimated based on the current price, forward prices, and forecasts of future prices from third party sources. For the 2011 annual goodwill impairment analysis, an estimated 2012 and long-term oil price of $95 and $90 per barrel, respectively, was used. For the 2010 annual goodwill impairment analysis, an estimated 2011 and long-term oil price of $100 and $100 per barrel, respectively, was used. For the transition date goodwill impairment analysis, an estimated 2010 and long-term oil price of $75 and $80 per barrel, respectively, was used.

The discount rate applied to present value the net future cash flows is based on a real weighted average cost of capital by country to account for geopolitical risk. For the 2011 annual goodwill impairment analysis, real discount rates of between 4.37% and 8.54% were used. For the 2010 annual goodwill impairment analysis, real discount rates of between 5.22% and 9.66% were used. For the transition date goodwill impairment analysis, real discount rates of between 5.25% and 9.24% were used.

Since public gold companies typically trade at a market capitalization that is based on a multiple of their underlying NAV, a market participant would generally apply a NAV multiple when estimating the fair value of a gold mining property. Consequently, the Company estimates the fair value of each CGU by applying a market NAV multiple to the NAV of each CGU.

When selecting NAV multiples to arrive at fair value, the Company considered the trading prices and NAV estimates of comparable gold mining companies as at December 31, 2011, December 31, 2010 and January 1, 2010 in respect of the fair value determinations at those dates, which ranged from 0.7 to 1.2, 1.3 to 2.1, and 1.4 to 2.0, respectively. The selected ranges of multiples applied to each CGU took into consideration, among other factors: expected production growth in the near term; average cash costs over the life of the mine; potential remaining mine life; and stage of development of the asset.

x. Exploration and evaluation ("E&E") costs

Exploration and evaluation costs are those costs required to find a mineral property and determine commercial viability. E&E costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

E&E costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are expensed as incurred until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period. Thereafter, costs for the project are capitalized prospectively as capitalized exploration and evaluation costs in property, plant and equipment.

The Company also recognizes E&E costs as assets when acquired as part of a business combination, or asset purchase. These assets are recognized at fair value. Acquired E&E costs consist of:

- fair value of the estimated mineral inventory, and
- exploration properties.

Acquired or capitalized E&E costs for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized E&E costs are transferred to capitalized development costs within property, plant and equipment. Technical feasibility and commercial viability generally coincides with the establishment of proven and probable reserves; however, this determination may be impacted by management's assessment of certain modifying factors including: legal, environmental, social and governmental factors.

xi. Property, plant and equipment

Property, plant and equipment are recorded at cost and carried net of accumulated depreciation, depletion and amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the estimate of reclamation and remediation and, for qualifying assets, capitalized borrowing costs.

Costs to acquire mineral properties are capitalized and represent the property's fair value at the time it was acquired, either as an individual asset purchase or as part of a business combination.

Interest expense attributable to the cost of developing mining properties and to constructing new facilities is capitalized until assets are ready for their intended use.

Acquired or capitalized exploration and evaluation costs may be included within mineral interests in development and operating properties or pre-development properties depending upon the nature of the cost or the property to which the costs relate. Repairs and maintenance costs are expensed as incurred. However, expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditures will extend the productive capacity or useful life of an asset.

(a) Asset categories

The Company categorizes property, plant and equipment based on the type of asset and/or the stage of operation or development of the property.

Land, plant and equipment includes land, mobile and stationary equipment, and refining and processing facilities for all properties regardless of their stage of development or operation.

Mineral interests consist of:

- Development and operating properties which include capitalized development and stripping costs, cost of assets under construction, exploration and evaluation costs and mineral interests for those properties currently in operation, for which development has commenced, or for which proven and probable reserves have been declared; and
- Pre-development properties which include exploration and evaluation costs and mineral interests for those properties for which development has not commenced.

(b) Depreciation, depletion and amortization

For plant and other facilities, stripping costs, reclamation and remediation costs, production stage mineral interests and plant expansion costs, the Company uses the units-of-production ("UOP") method for determining depreciation, depletion and amortization. The expected useful lives used in the UOP calculations are determined based on the facts and circumstances associated with the mineral interest. The Company evaluates the proven and probable reserves at least on an annual basis and adjusts the UOP calculation to correspond with the changes in reserves. The expected useful life used in determining UOP does not exceed the estimated life of the ore body based on recoverable ounces to be mined from estimated proven and probable reserves. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Stripping and other costs incurred in a pit expansion are capitalized and amortized using the UOP method based on recoverable ounces to be mined from estimated proven and probable reserves contained in the pit expansion.

Land is not depreciated.

Mobile and other equipment are depreciated, net of residual value, using the straight-line method, over the estimated useful life of the asset. Useful lives for mobile and other equipment range from 2 to 10 years, but do not exceed the related estimated mine life based on proven and probable reserves.

The Company reviews useful lives and estimated residual values of its property, plant and equipment annually.

Acquired or capitalized exploration and evaluation costs and assets under construction are not depreciated. These assets are depreciated when they are put into production in their intended use.

(c) Impairment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. In addition, capitalized exploration and evaluation costs are assessed for impairment upon demonstrating the technical feasibility and commercial viability of a project.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or groups of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the consolidated statement of operations. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

(d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal of the asset or when no future economic benefits are expected to accrue to the Company from its continued use. Any gain or loss arising on derecognition is included in the consolidated statement of operations in the period in which the asset is derecognized. The gain or loss is determined as the difference between the carrying value and the net proceeds on the sale of the assets, if any, at the time of disposal.

xii. Financial instruments and hedging activity

(a) Financial instrument classification and measurement

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as "fair value through profit and loss", directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit and loss", "available-for-sale", "held-to-maturity", or "loans and receivables" as defined by IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as fair value through profit and loss or "other financial liabilities".

Financial assets and financial liabilities at fair value through profit and loss include financial assets and financial liabilities that are held for trading or designated upon initial recognition as at fair value through

profit and loss. These financial instruments are measured at fair value with changes in fair values recognized in the consolidated statement of operations. Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized in OCI, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in OCI is recognized within the consolidated statement of operations. Financial assets classified as held-to-maturity and loans and receivables are measured subsequent to initial recognition at amortized cost using the effective interest method. Financial liabilities, other than financial liabilities classified as fair value through profit and loss, are measured in subsequent periods at amortized cost using the effective interest method.

Cash and cash equivalents, restricted cash and short-term investments are designated as fair value through profit and loss and are measured at cost, which approximates fair value. Trade receivables and other assets are designated as loans and receivables. Long-term investments in equity securities, where the Company cannot exert significant influence, are designated as available-for-sale. Accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities.

Derivative assets and liabilities include derivative financial instruments that do not qualify as hedges, or are not designated as hedges and are classified as fair value through profit and loss.

(b) Hedges

The Company formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivatives to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying position or transaction being hedged. At the time of inception of the hedge and on an ongoing basis, the Company assesses whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivative contracts that have been designated as cash flow hedges have been entered into in order to effectively establish prices for future production of metals, to hedge exposure to exchange rate fluctuations of foreign currency denominated settlement of capital and operating expenditures, to establish prices for future purchases of energy or to hedge exposure to interest rate fluctuations. Unrealized gains or losses arising from changes in the fair value of these contracts are recorded in OCI, net of tax, and are only included in earnings when the underlying hedged transaction, identified at the contract inception, is completed. Any ineffective portion of a hedge relationship is recognized immediately in the consolidated statement of operations. The Company matches the realized gains or losses on contracts designated as cash flow hedges with the hedged expenditures at the maturity of the contracts.

When derivative contracts designated as cash flow hedges have been terminated or cease to be effective prior to maturity and no longer qualify for hedge accounting, any gains or losses recorded in OCI up until the time the contracts do not qualify for hedge accounting, remain in OCI. Amounts recorded in OCI are recognized in the consolidated statement of operations in the period in which the underlying hedged transaction is completed. Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the consolidated statement of operations in the period in which they occur.

For hedges that do not qualify for hedge accounting, gains or losses are recognized in the consolidated statement of operations in the current period.

xiii. Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, an evaluation is made as to whether a decline in fair value is significant or prolonged based on an analysis of indicators

such as market price of the investment and significant adverse changes in the technological, market, economic or legal environment in which the investee operates.

If an available-for-sale financial asset is impaired, an amount equal to the difference between its carrying value and its current fair value is transferred from AOCI and recognized in the consolidated statement of operations. Reversals of impairment charges in respect of equity instruments classified as available-for-sale are not recognized in the consolidated statement of operations.

xiv. Share-based payments

The Company has a number of equity-settled and cash settled share-based compensation plans under which the Company issues either equity instruments or makes cash payments based on the value of the underlying equity instrument of the Company. The Company's share-based compensation plans are comprised of the following:

Stock Option Plan: Stock options are equity-settled. The fair value of stock options at the grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized over the stock option vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest at the time of a grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of options, the shares are issued from treasury.

Restricted Share Unit Plan: Restricted share units ("RSU") are equity-settled and are fair valued based on the market value of the shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of RSUs, the shares are issued from treasury.

Restricted Performance Share Unit Plan: Restricted Performance Share Units ("RPSU") are equity-settled and are awarded to certain employees as a percentage of their annual long-term incentive award grant. These units are subject to certain vesting requirements and vest at the end of three years. Vesting requirements are based on performance criteria established by the Company. RPSUs are fair valued as follows: The portion of the RPSUs related to market conditions is fair valued based on the application of a Monte Carlo pricing model at the date of grant and the portion related to non-market conditions is fair valued based on the market value of the shares at the date of grant. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of RPSUs, the shares are issued from treasury.

Deferred Share Unit Plan: Deferred share units ("DSU") are cash-settled and accounted for as a liability at fair value which is based on the market value of the shares at the grant date. The fair value of the liability is re-measured each period based on the current market value of the underlying stock at period end and any changes in the liability are recorded as compensation expense each period.

Employee Share Purchase Plan: The Company's contribution to the Employee Share Purchase Plan ("ESPP") is recorded as compensation expense on a payroll cycle basis as the employer's obligation to contribute is incurred. The cost of the common shares issued under the ESPP is based on the average of the last twenty trading sessions prior to the end of the period.

xv. Metal sales

Metal sales includes sales of refined gold and silver, which are generally physically delivered to customers in the period in which they are produced, with their sales price based on prevailing spot market metal prices. Revenue from metal sales is recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership have been transferred;

- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

These conditions are generally met when the sales price is fixed and title has passed to the customer.

xvi. Provision for reclamation and remediation

The Company records a liability and corresponding asset for the present value of the estimated costs of legal and constructive obligations for future site reclamation and closure where the liability is probable and a reasonable estimate can be made of the obligation. The estimated present value of the obligation is reassessed on an annual basis or when new material information becomes available. Increases or decreases to the obligation usually arise due to changes in legal or regulatory requirements, the extent of environmental remediation required, methods of reclamation, cost estimates, or discount rates. Changes to the provision for reclamation and remediation obligations related to operating mines, which are not the result of current production of inventory, are recorded with an offsetting change to the related asset. For properties where mining activities have ceased or are in reclamation, changes are charged directly to earnings. The present value is determined based on current market assessments of the time value of money using discount rates specific to the country in which the reclamation site is located and is determined as the risk-free rate of borrowing approximated by the yield on sovereign debt for that country, with a maturity approximating the end of mine life. The periodic unwinding of the discount is recognized in the consolidated statement of operations as a finance expense.

xvii. Income tax

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense is recognized in the consolidated statement of operations except to the extent it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent it is probable future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes. Deferred tax assets and liabilities are not recognized in respect of temporary

differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset.

xviii. Earnings (loss) per share

Earnings (loss) per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the year. Basic earnings per share amounts are calculated by dividing net earnings attributable to common shareholders for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing net earnings attributable to common shareholders for the period by the diluted weighted average shares outstanding during the period.

Diluted earnings per share is calculated using the treasury method, except the if-converted method is used in assessing the dilution impact of convertible notes and restricted share units. The treasury method, which assumes that outstanding stock options, warrants and restricted share units with an average exercise price below the market price of the underlying shares, are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period. The if-converted method assumes that all convertible notes and restricted share units have been converted in determining fully diluted EPS if they are in-the-money except where such conversion would be anti-dilutive.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Stripping costs

In October 2011, the IASB issued IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" ("IFRIC 20") which provides guidance on the accounting for costs related to stripping activity in the production phase of surface mining. When the stripping activity results in the benefit of useable ore that can be used to produce inventory, the related costs are to be accounted for in accordance with IAS 2 "Inventories"; when the stripping activity results in the benefit of improved access to ore that will be mined in future periods, the related costs are to be accounted for in accordance with IFRIC 20 as additions to non-current assets when specific criteria are met.

IFRIC 20 is effective for annual periods beginning on or after January 1, 2013, and permits early adoption. The Company is in the process of determining the impact on its financial statements.

Financial instruments

The IASB has issued IFRS 9 "Financial Instruments" ("IFRS 9") which proposes to replace IAS 39. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets - amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available-for-sale and loans and receivable categories.

This standard is effective for the Company's annual year end beginning January 1, 2015 (as amended from January 1, 2013 by the IASB in December 2011). The Company will evaluate the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

IFRS 7 "Financial instruments - Disclosures" ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained.

The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. There was no impact of the amendments to IFRS 7 upon adoption on January 1, 2012.

Consolidation and related standards

The IASB issued the following suite of consolidation and related standards, all of which are effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of these standards on its financial statements.

IFRS 10 "Consolidated Financial Statements" ("IFRS 10"), which replaces parts of IAS 27, "Consolidated and Separate Financial Statements" ("IAS 27") and all of SIC-12 "Consolidation - Special Purpose Entities", changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IAS 27 "Separate Financial Statements (2011)" ("IAS 27 (2011)") was reissued and now only contains accounting and disclosure requirements for when an entity prepares separate financial statements, as the consolidation guidance is now included in IFRS 10.

IFRS 11 "Joint Arrangements" ("IFRS 11"), which replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities - Non-monetary Contributions by Venturers", requires a venturer to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its assets, liabilities, revenue and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture's net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is prohibited.

IAS 28 "Investments in Associates and Joint Ventures (2011)" ("IAS 28") was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now includes joint ventures that are to be accounted for by the equity method. The application of the equity method has not changed as a result of this amendment.

IFRS 12 "Disclosure of Interests in Other Entities" ("IFRS 12") is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and structured entities. This standard carries forward the disclosures that existed under IAS 27, IAS 28 and IAS 31, and also introduces additional disclosure requirements that address the nature of, and risks associated with an entity's interests in other entities.

Fair value measurement

The IASB also has issued the following standard, which is effective for annual periods beginning on or after January 1, 2013, for which the Company has not yet determined the impact on its financial statements.

IFRS 13 "Fair Value Measurement" ("IFRS 13") provides guidance on how fair value should be applied where its use is already required or permitted by other IFRS standards, and includes a definition of fair value and is a single source of guidance on fair value measurement and disclosure requirements for use across all IFRS standards.

5. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i. Reserves

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, goodwill, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

ii. Purchase Price Allocation

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally require a high degree of judgment, and include estimates of mineral reserves acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

iii. Depreciation, depletion and amortization

Plants and other facilities used directly in mining activities are depreciated using the UOP method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves.

The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

iv. Impairment of goodwill and other assets

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations. The assessment of fair values, including those of the CGUs for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, NAV multiples, foreign exchange rates, future capital requirements and operating performance. Changes in any of

the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

v. Inventories

Expenditures incurred, and depreciation, depletion and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or NRV. Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing), by comparing the grades of ore placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is completed.

The allocation of costs to ore in stockpiles, ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

vi. Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

vii. Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

6. ACQUISITIONS AND DISPOSITIONS

(i) Sale of Interest in Harry Winston

On March 23, 2011, the Company completed the sale of its approximate 8.5% interest in Harry Winston, consisting of approximately 7.1 million common shares, for net proceeds of $100.6 million and a resulting gain on sale of $30.9 million. The Company had acquired these shares as part of the proceeds received on the sale of the Company's 22.5% interest in the partnership holding Harry Winston's 40% interest in the Diavik Diamond mine joint venture. On August 25, 2011, the Company collected a note receivable from Harry Winston in the amount of $70.0 million which was also part of the proceeds on the sale of the Company's Working Interest in Diavik in August 2010.

(ii) Acquisition of 25% of CMGC

On April 27, 2011, Kinross' 75%-owned subsidiary, CMGC, completed a Share Purchase Agreement with the State Unitary Enterprise of the Chukotka Autonomous Okrug ("CUE"), to repurchase the 2,292,348 shares of CMGC, representing 25.01% of CMGC's outstanding share capital, for gross consideration of $335.4 million, including transaction costs. The excess of the consideration paid over the carrying value of the non-controlling interest, was recorded as a reduction of contributed surplus in the amount of $92.9 million.

(iii) Acquisition of Red Back

On September 17, 2010 (the "acquisition date"), Kinross completed its acquisition of Red Back through a plan of arrangement, whereby Kinross acquired all of the issued and outstanding common shares of Red Back that it did not already own. As a result of this acquisition, the Company expanded operations into West Africa. In Ghana, the Company holds a 90% interest in the Chirano Gold mine ("Chirano") with the Government of Ghana having a 10% carried interest. In Mauritania, the Company holds a 100% interest in the Tasiast mine ("Tasiast"). Total consideration for the acquisition was approximately $8,720.4 million, including the fair value of the previously owned interest of $789.6 million. Non-controlling interest was measured at 10% of the fair value of Chirano's net identifiable assets at the acquisition date.

Red Back shareholders received 1.778 Kinross common shares, plus 0.11 of a Kinross common share purchase warrant for each Red Back common share held. As a result of the transaction, Kinross issued 416.4 million common shares and 25.8 million common share purchase warrants. The Company also issued 8.7 million fully vested replacement options to acquire Kinross common shares to previous Red Back option holders.

As the purchase is a business combination, with Kinross being the acquirer, results of operations of Red Back have been consolidated with those of Kinross commencing on the acquisition date.

Total consideration paid of $8,720.4 million was calculated as follows:

Common shares issued (416.4 million)	**$**	**7,678.3**
Fair value of warrants issued (25.8 million)		**161.3**
Fair value of options issued (8.7 million)		**91.2**
Shares previously acquired		**789.6**
Total Purchase Price	**$**	**8,720.4**

In finalizing the purchase price allocation during 2011, the Company adjusted the preliminary purchase price allocation as set out below. The adjustments recorded resulted in an increase to goodwill of $272.0 million from the amount previously reported.

The following table sets forth the final allocation of the purchase price to assets and liabilities acquired.

Red Back Purchase Price Allocation	Preliminary	Adjustments	**Final**
Cash and cash equivalents	$ 742.6	$ -	**$ 742.6**
Accounts receivable and other assets	27.0	-	**27.0**
Inventories	115.2	(3.4)	**111.8**
Property, plant and equipment (including mineral interests)	3,527.1	(321.7)	**3,205.4**
Accounts payable and accrued liabilities	(103.4)	2.6	**(100.8)**
Deferred tax liabilities	(752.0)	69.0	**(683.0)**
Provisions	(11.8)	(5.9)	**(17.7)**
Other long-term liabilities	(22.5)	(12.5)	**(35.0)**
Non-controlling interest	(68.8)	(0.1)	**(68.9)**
Goodwill	5,267.0	272.0	**5,539.0**
Total Purchase Price	$ 8,720.4	$ -	**$ 8,720.4**

The goodwill recognized is attributed to the optionality to develop additional higher-cost reserves, to intensify efforts at developing the more promising acquired properties and to reduce efforts at developing the less promising acquired properties in the future, the going concern value of the Company's capacity to replace and augment reserves through completely new discoveries and the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of the assets acquired and liabilities assumed in a business combination. None of the goodwill is expected to be deductible for tax purposes.

During the year ended December 31, 2011, the Company recorded an impairment charge related to the goodwill recognized in the Red Back acquisition. See Note 8.

As a result of reflecting the final purchase price adjustments retrospectively, the consolidated financial statements for the year ended December 31, 2010 have been recast.

The consolidated statements of operations for the year ended December 31, 2011 and 2010 include revenue of $723.2 million and $194.8 million respectively, operating loss of $2,736.6 million and operating earnings of $1.6 million, respectively, for the former Red Back properties.

For the year ended December 31, 2010, production cost of sales and depreciation, amortization and depletion increased by $2.0 million and $17.4 million, respectively; whereas income tax expense, finance expense, and income attributable to non-controlling interests decreased by $5.7 million, $0.1 million, and $1.0 million, respectively. As a result, net earnings attributed to common shareholders decreased by $12.6 million.

As at December 31, 2010, inventories, property, plant and equipment, accounts payable and accrued liabilities, deferred tax liabilities, and non-controlling interest decreased by $5.4 million, $338.0 million, $2.7 million, $74.7 million, and $0.9 million, respectively; whereas goodwill, provisions, and other long-term liabilities increased by $272.0 million, $7.0 million, and $12.5 million, respectively. As a result, accumulated deficit increased by $12.6 million.

Pro forma Information

Basis of Presentation

The following pro forma results of operations have been prepared as if the Red Back acquisition had occurred at January 1, 2010. The pro forma consolidated financial statement information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Any potential synergies that may be realized and integration costs that may be incurred have been excluded from the pro forma financial statement information, including Red Back transaction costs.

Pro Forma Assumptions and Adjustments

Certain adjustments have been reflected in this pro forma consolidated statement of operations to illustrate the effects of purchase accounting where the impact could be reasonably estimated. The adjustments are as follows:

a) To increase depreciation expense to reflect depreciation of the fair value increment on property, plant, and equipment (including mineral interests);

b) To expense exploration costs that had been deferred in accordance with the Company's E&E policy under IFRS;

c) To adjust accretion on asset retirement obligations for the period prior to acquisition to reflect the impact of IFRS; and

d) To record the tax effect of all the above listed adjustments.

		Year ended December 31, 2010
Revenue	$	3,337.9
Net Earnings	$	839.9

(iv) Disposition of one-half interest in the Cerro Casale project

On February 17, 2010, the Company executed an agreement to sell one-half of its interest in the Cerro Casale project to Barrick Gold Corporation ("Barrick"). The sale closed on March 31, 2010. The Company received $454.3 million in gross proceeds, before transaction costs, and the transaction resulted in a gain of $78.1 million, before taxes. Additionally, as part of the agreement, Barrick assumed $20.0 million of a $40.0 million payment obligation contingent upon a production decision on the project.

Subsequent to the disposition, the Company continues to hold a 25% interest in the project and the investment is accounted for under the equity method. Refer to Note 10.

(v) Acquisition of Underworld

On April 26, 2010, the Company acquired 81.6% of the issued and outstanding shares of Underworld, on a fully diluted basis, by way of a friendly take-over bid. On June 30, 2010, the Company acquired the remaining outstanding shares of Underworld it did not already own, and on July 6, 2010 the shares of Underworld were delisted. Pursuant to the acquisition approximately 6.5 million Kinross shares and approximately 0.4 million Kinross options were issued. The total transaction was valued at $126.5 million, including transaction costs. This amount was added to the cost of a previously owned investment of $3.5 million, resulting in a total cost of $130.0 million. The acquisition was accounted for as an asset acquisition.

During the second quarter of 2010, the investment in Underworld was re-classified from available-for-sale investments due to the acquisition of control of Underworld. As of April 26, 2010, the financial statements of Underworld are being consolidated with those of Kinross.

(vi) Sale of interest in Harry Winston

On July 23, 2010, the Company entered into an agreement to sell its approximate 19.9% equity interest in Harry Winston, consisting of 15.2 million Harry Winston common shares, to a group of financial institutions, on an underwritten block trade basis for net proceeds of $185.6 million. The sale was completed on July 28, 2010 and resulted in a gain of $146.4 million.

(vii) Sale of interest in Diavik

On August 25, 2010, the Company completed the sale of its 22.5% interest in the partnership holding Harry Winston's 40% interest in Diavik to Harry Winston for final net proceeds of $189.6 million. The purchase price

was comprised of $50.0 million cash, approximately 7.1 million Harry Winston common shares with a value of $69.7 million based on the share price on the closing date, and a note receivable in the amount of $70.0 million maturing on August 25, 2011. The note bore interest at a rate of 5% per annum and could have been satisfied in cash or, subject to certain limitations, shares issued by Harry Winston to Kinross. The sale resulted in a gain of $95.5 million.

The note receivable from Harry Winston was repaid in cash upon maturity on August 25, 2011. Refer to Note 7(ii).

(viii) Acquisition of the Dvoinoye deposit and the Vodorazdelnaya property

On August 27, 2010, the Company completed the acquisition of 100% of the participatory interests in Northern Gold LLC and Regionruda LLC, the owners of the Dvoinoye and Vodorazdelnaya exploration and mining licenses, both located approximately 90 km north of Kinross' Kupol operation in the Chukotka region of the Russian Far East. The purchase price of $346.8 million was comprised of $167.0 million in cash and 10.6 million Kinross shares, which were subject to a minimum hold period of four months after closing, and transaction costs of $5.9 million. This acquisition was accounted for as an asset acquisition.

(ix) Acquisition of B2Gold Corp's interest in Kupol exploration licenses

On August 27, 2010, the Company closed an agreement with B2Gold Corp ("B2Gold") to acquire B2Gold's right to an interest in the Kupol East and West exploration licence areas. Under the terms of a previous agreement, Kinross had undertaken to secure a 37.5% joint venture interest for B2Gold in the Kupol East and West exploration licence areas. According to the new agreement, Kinross was no longer obligated to enter into joint venture arrangements with B2Gold in respect of Kinross' interest in these licence areas. The purchase price comprised: $33.0 million in cash; contingent payments based on National Instrument 43-101 qualified Proven and Probable Reserves within the licence areas at the subject properties, should such reserves be declared in future; and payments based on net smelter returns of 1.5% from any future production at the licence areas. This acquisition was accounted for as an asset acquisition.

(x) Sale of interest in Osisko

On December 13, 2010, the Company completed the sale of its 1.8% interest in Osisko Mining Corporation ("Osisko"), consisting of approximately 6.8 million Osisko common shares, which was accounted for as an available-for-sale investment. The sale was completed on an underwritten block trade basis, at a gross price of CDN$14.70 per share, for net proceeds of $97.5 million. The transaction resulted in a gain of $74.1 million.

7. CONSOLIDATED FINANCIAL STATEMENT DETAILS

Consolidated Balance Sheets

i. Cash and cash equivalents:

		December 31, 2011		December 31, 2010		January 1, 2010
Cash on hand and balances with banks	**$**	**761.3**	$	873.3	$	352.8
Short-term deposits		**1,004.7**		593.3		244.6
	$	**1,766.0**	$	1,466.6	$	597.4

Restricted cash:

		December 31, **2011** [(a)]		December 31, 2010		January 1, 2010
Restricted cash	**$**	**62.1**	$	2.1	$	24.3

(a) Restricted cash relates to restricted payments for the Kupol project financing (see Note 13 (v)), loan escrow judicial deposits and letters of guarantee for default protection and environmental indemnity.

ii. Accounts receivable and other assets:

		December 31, **2011**		December 31, 2010		January 1, 2010
Trade receivables	**$**	**20.2**	$	24.3	$	9.9
Taxes recoverable		**70.0**		14.7		6.2
Prepaid expenses		**48.8**		45.0		26.7
VAT receivable		**115.3**		119.6		61.0
Note receivable [(a)]		**-**		70.0		-
Other		**55.1**		55.8		31.7
	$	**309.4**	$	329.4	$	135.5

(a) The note receivable from Harry Winston was repaid in cash upon maturity on August 25, 2011.

iii. Inventories:

		December 31, **2011**		December 31, 2010		January 1, 2010
Ore in stockpiles [(a)]	**$**	**146.6**	$	144.3	$	120.5
Ore on leach pads [(b)]		**220.8**		113.3		44.3
In-process		**35.3**		38.9		26.1
Finished metal		**108.3**		81.1		80.6
Materials and supplies		**562.2**		457.2		395.1
		1,073.2		834.8		666.6
Long-term portion of ore in stockpiles and ore on leach pads [(a),(b)]		**(97.0)**		(103.2)		(112.2)
	$	**976.2**	$	731.6	$	554.4

(a) Ore in stockpiles relates to the Company's operating mines. Ore in stockpiles includes low-grade material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the consolidated balance sheet. See deferred charges and other long-term assets, Note 7 (viii).

(b) Ore on leach pads relates to the Company's Maricunga, Tasiast, Fort Knox, and 50% owned Round Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Maricunga in 2027, Tasiast in 2020, Fort Knox in 2020, and 50% owned Round Mountain in 2019. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the consolidated balance sheet. See deferred charges and other long-term assets, Note 7(viii).

iv. Property, plant and equipment:

	Land, plant and equipment	Mineral Interests [b] Development and operating properties	Mineral Interests [b] Pre-development properties	Total
Cost				
Balance at January 1, 2011 [c]	$ 3,236.3	$ 6,426.5	$ 527.5	$ 10,190.3
Additions	1,052.3	586.6	11.9	1,650.8
Acquisitions	-	-	3.8	3.8
Capitalized interest	7.3	19.2	-	26.5
Disposals	(64.2)	(8.7)	(0.4)	(73.3)
Transfers	-	369.6	(369.6)	-
Other	2.5	(3.5)	(3.2)	(4.2)
Balance at December 31, 2011	4,234.2	7,389.7	170.0	11,793.9
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2011 [c]	$ (1,315.2)	$ (990.5)	$ -	$ (2,305.7)
Depreciation, depletion and amortization	(257.9)	(330.3)	-	(588.2)
Disposals	55.3	10.5	-	65.8
Other	(0.3)	(6.1)	-	(6.4)
Balance at December 31, 2011	(1,518.1)	(1,316.4)	-	(2,834.5)
Net book value	$ 2,716.1	$ 6,073.3	$ 170.0	$ 8,959.4
Amount included in above as at December 31, 2011:				
Assets under construction	$ 1,012.6	$ 549.7	$ -	$ 1,562.3
Net book value of finance leases	$ 12.8	$ -	$ -	$ 12.8
Assets not being depreciated [a]	$ 1,118.6	$ 2,379.6	$ 170.0	$ 3,668.2

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At December 31, 2011 the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Crixás, Kupol, Dvoinoye, Kettle River-Buckhorn, Tasiast, Chirano, Fruta del Norte, and Lobo-Marte. Included in pre-development properties is White Gold. Dvoinoye was transferred from pre-development properties to development and operating properties upon the declaration of proven and probable reserves as at the end of 2011.

(c) The balance at January 1, 2011 has been recast as a result of finalizing the Red Back purchase price allocation. See Note 6(iii).

		Mineral Interests [b]		
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2010	$ 2,538.3	$ 2,411.6	$ 1,364.3	$ 6,314.2
Additions	352.8	315.0	49.2	717.0
Acquisitions [c]	353.5	2,866.6	491.4	3,711.5
Capitalized interest	-	1.1	-	1.1
Disposals	(9.9)	-	(545.2)	(555.1)
Transfers	-	832.2	(832.2)	-
Other	1.6	-	-	1.6
Balance at December 31, 2010 [c]	$ 3,236.3	$ 6,426.5	$ 527.5	$ 10,190.3
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2010	$ (1,101.3)	$ (376.2)	$ -	$ (1,477.5)
Depreciation, depletion and amortization [c]	(208.7)	(334.6)	-	(543.3)
Impairment loss [d]	-	-	(290.7)	(290.7)
Disposals	6.5	-	-	6.5
Transfers	-	(290.7)	290.7	-
Other	(11.7)	11.0	-	(0.7)
Balance at December 31, 2010 [c]	$ (1,315.2)	$ (990.5)	$ -	$ (2,305.7)
Net book value [c]	$ 1,921.1	$ 5,436.0	$ 527.5	$ 7,884.6
Amount included in above:				
Assets under construction				
January 1, 2010	$ 614.3	$ 79.8	$ -	$ 694.1
December 31, 2010	$ 431.6	$ 116.2	$ -	$ 547.8
Net book value of Finance leases				
January 1, 2010	$ 32.1	$ -	$ -	$ 32.1
December 31, 2010	$ 23.3	$ -	$ -	$ 23.3
Assets not being depreciated [a]				
January 1, 2010	$ 632.6	$ 453.6	$ 1,364.3	$ 2,450.5
December 31, 2010 [c]	$ 528.4	$ 1,937.3	$ 527.5	$ 2,993.2

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At December 31, 2010, the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Crixás, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, Lobo-Marte, and Fruta del Norte. The significant pre-development properties include Dvoinoye and White Gold. Fruta del Norte was classified within pre-development properties at January 1, 2010 and was transferred to development and operating properties as at the end of 2010.

(c) Balances have been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).

(d) As at December 31, 2010, the Company determined that the recoverable amount determined as the fair value less costs to sell of Fruta del Norte was less than its carrying amount.

Land, plant and equipment with a carrying amount of $204.8 million are pledged as security as part of the Kupol project financing. See Note 13(v).

Capitalized interest relates to capital expenditures at Fort Knox, Kettle River, Round Mountain, Maricunga, La Coipa, Lobo-Marte, Fruta del Norte, Kupol, Dvoinoye, Chirano and Tasiast and had a weighted average rate of 7.50% and 9.46% during the years ended December 31, 2011 and 2010, respectively.

At December 31, 2011, $923.9 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2010 - $1,204.1 million). During the year ended December 31, 2011, the Company acquired $3.8 million of E&E assets, capitalized $89.2 million in E&E costs and transferred $369.6 million from E&E assets to capitalized development. The Company did not recognize any property, plant and equipment impairment related to E&E assets as at December 31, 2011 (December 31, 2010 - $290.7 million).

During the year ended December 31, 2010, the Company acquired $1,168.0 million of E&E assets, capitalized $49.2 million in other E&E costs and transferred $541.5 million from E&E assets to capitalized development.

During the year ended December 31, 2011, the Company expensed $18.8 million (year ended December 31, 2010 - $23.6 million) of exploration and evaluation expenditures, and had cash expenditures for exploration and evaluation included in operating and investing cash flows of $18.8 million and $89.2 million, respectively (year ended December 31, 2010 - $23.6 million and $45.5 million, respectively).

The following table shows capitalized stripping costs included in development and operating properties for the years ended December 31, 2011 and 2010:

	December 31, 2011							December 31, 2010				
	Round Mountain	Fort Knox	La Coipa	Maricunga	Chirano	Tasiast	Total	Round Mountain	Fort Knox	Maricunga	Chirano	Total
Balance, at January 1	**$ 78.2**	**$ 58.9**	**$ -**	**$ 5.8**	**$ 2.4**	**$ -**	**$ 145.3**	$ 67.9	$ 50.0	$ -	$ -	$ 117.9
Additions	**11.1**	**49.8**	**48.7**	**49.7**	**14.5**	**38.0**	**211.8**	18.8	34.0	5.8	2.4	61.0
Amortization	**(14.9)**	**(11.5)**	**(1.2)**	**(1.4)**	**(3.9)**	**(0.3)**	**(33.2)**	(8.5)	(25.1)	-	-	(33.6)
Balance at end of period	**$ 74.4**	**$ 97.2**	**$ 47.5**	**$ 54.1**	**$ 13.0**	**$ 37.7**	**$ 323.9**	$ 78.2	$ 58.9	$ 5.8	$ 2.4	$ 145.3

v. Goodwill:

The Goodwill allocated to the Company's CGUs and included in the respective operating segment assets is shown in the table below:

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás	Tasiast [e]	Chirano [e]	Other Operations [b]	Total
Cost											
Balance at January 1, 2011	**$ 145.9**	**$ 164.9**	**$ 190.3**	**$ 20.9**	**$ 827.2**	**$ 396.1**	**$ 80.5**	**$ 4,620.4**	**$ 918.6**	**$ 282.2**	**$ 7,647.0**
Acquisitions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at December 31, 2011	**$ 145.9**	**$ 164.9**	**$ 190.3**	**$ 20.9**	**$ 827.2**	**$ 396.1**	**$ 80.5**	**$ 4,620.4**	**$ 918.6**	**$ 282.2**	**$ 7,647.0**
Accumulated impairment											
Balance at January 1, 2011	**$ (87.2)**	**$ (99.4)**	**$ (65.9)**	**$ -**	**$ (668.4)**	**$ (220.2)**	**$ (42.5)**	**$ -**	**$ -**	**$ (105.5)**	**$ (1,289.1)**
Impairment loss [a]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,490.1)**	**(447.5)**	**-**	**(2,937.6)**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at December 31, 2011	**$ (87.2)**	**$ (99.4)**	**$ (65.9)**	**$ -**	**$ (668.4)**	**$ (220.2)**	**$ (42.5)**	**$ (2,490.1)**	**$ (447.5)**	**$ (105.5)**	**$ (4,226.7)**
Carrying amount	**$ 58.7**	**$ 65.5**	**$ 124.4**	**$ 20.9**	**$ 158.8**	**$ 175.9**	**$ 38.0**	**$ 2,130.3**	**$ 471.1**	**$ 176.7**	**$ 3,420.3**

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás	Tasiast [e]	Chirano [e]	Other Operations [c] [d]	Total
Cost											
Balance at January 1, 2010	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ -	$ -	$ 643.2	$ 2,469.0
Acquisitions [e]	-	-	-	-	-	-	-	-	-	5,267.0	5,267.0
Purchase price allocation [e]	-	-	-	-	-	-	-	4,620.4	918.6	(5,267.0)	272.0
Disposals [d]	-	-	-	-	-	-	-	-	-	(361.0)	(361.0)
Balance at December 31, 2010	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ 4,620.4	$ 918.6	$ 282.2	$ 7,647.0
Accumulated impairment											
Balance at January 1, 2010	$ (87.2)	$ (99.4)	$ (65.9)	$ -	$ (668.4)	$ (220.2)	$ (42.5)	$ -	$ -	$ (105.5)	$ (1,289.1)
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2010	$ (87.2)	$ (99.4)	$ (65.9)	$ -	$ (668.4)	$ (220.2)	$ (42.5)	$ -	$ -	$ (105.5)	$ (1,289.1)
Carrying amount	$ 58.7	$ 65.5	$ 124.4	$ 20.9	$ 158.8	$ 175.9	$ 38.0	$ 4,620.4	$ 918.6	$ 176.7	$ 6,357.9

(a) In 2011, as part of the annual impairment test for goodwill, using the methodology described in note 3(ix), it was determined that the carrying amounts of goodwill at Tasiast and Chirano, exceeded their recoverable amounts. See Note 8.

(b) At December 31, 2011, other operations includes goodwill related to Quebrada Seca with a carrying amount of $168.8 million and Jiboia with a carrying amount of $7.9 million.

(c) At January 1, 2010, other operations includes goodwill related to Quebrada Seca with a carrying amount of $168.8 million, Jiboia with a carrying amount of $7.9 million, and Cerro Casale with a carrying amount of $361.0 million.

(d) On March 31, 2010, the Company disposed of one-half of its interest in the Cerro Casale project. As a result, goodwill was reduced by $361.0 million which represents the entire goodwill previously allocated to Cerro Casale. As the Company continues to retain a 25% interest in the project, one-half of the goodwill balance previously allocated, amounting to $180.5 million, now forms part of the carrying value of the investment in the Cerro Casale project.

(e) On September 17, 2010, the Company acquired all of the outstanding common shares of Red Back that it did not previously own. Until the finalization of the purchase price allocation, preliminary goodwill was recorded in other operations. At June 30, 2011, the goodwill determined in the final purchase price allocation of $5,539.0 million was allocated among the Tasiast and Chirano properties. See Note 6(iii).

vi. Long-term investments:

Unrealized gains and losses on investments classified as available-for-sale investments are recorded in OCI as follows:

	December 31, 2011		December 31, 2010		January 1, 2010	
	Fair Value	Gains (losses) in AOCI	Fair Value	Gains (losses) in AOCI	Fair Value	Gains (losses) in AOCI
Securities in an unrealized gain position	**$ 46.5**	**$ 26.9**	$ 203.3	$ 71.9	$ 115.1	$ 50.4
Securities in an unrealized loss position	**32.9**	**(22.9)**	0.5	(0.8)	42.7	(4.9)
	$ 79.4	**$ 4.0**	$ 203.8	$ 71.1	$ 157.8	$ 45.5

vii. Accounts payable and accrued liabilities:

	December 31, **2011**	December 31, 2010	January 1, 2010
Trade payables	**$ 151.0**	$ 150.6	$ 92.5
Accrued liabilities	**353.3**	203.9	150.9
Employee related accrued liabilities	**71.0**	54.5	44.2
	$ 575.3	$ 409.0	$ 287.6

viii. Deferred charges and other long-term assets:

	December 31, **2011**	December 31, 2010	January 1, 2010
Long-term ore in stockpiles and on leach pads [(a)]	**$ 97.0**	$ 103.2	$ 112.2
Deferred charges, net of amortization	**7.3**	0.9	1.3
Long-term receivables	**97.4**	52.7	42.8
Advances on the purchase of capital equipment	**178.2**	23.2	-
Other	**26.5**	24.6	2.1
	$ 406.4	$ 204.6	$ 158.4

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. Long-term ore in stockpiles is at the Company's Fort Knox, Kupol, and Paracatu mines. Long-term ore on leach pads is at the Company's 50% owned Round Mountain mine.

ix. Non-controlling interest:

	Kupol [(b)]	Chirano [(c)]	Total
Balance at January 1, 2010	$ 128.6	$ -	$ 128.6
Addition upon acquisition	-	68.9	68.9
Share of net earnings	110.2	2.2	112.4
Dividends paid	(47.7)	-	(47.7)
Balance at December 31, 2010 [(a)]	$ 191.1	$ 71.1	$ 262.2
Share of net earnings	**51.4**	**9.2**	**60.6**
Dividends paid	**-**	**-**	**-**
Acquisition of CMGC 25% non-controlling interest [(b)]	**(242.5)**	**-**	**(242.5)**
Balance at December 31, 2011	**$ -**	**$ 80.3**	**$ 80.3**

(a) Amount has been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).

(b) Represents non-controlling interest in CMGC. On April 27, 2011, Kinross acquired the remaining 25% of CMGC and thereby increased its ownership to 100%. See Note 6(ii).

(c) Represents non-controlling interest in Chirano Gold Mines Limited.

Consolidated Statements of Operations

x. Other income - net:

	Year ended December 31, **2011**	2010
Gain on acquisition/disposition of assets and investments - net	**$ 24.8**	$ 599.2
Transaction costs on acquisition of Red Back	**-**	(41.5)
Foreign exchange gains (losses)	**12.0**	(0.2)
Net non-hedge derivative gains	**59.1**	55.9
Working Interest in Diavik Diamond mine	**-**	(2.4)
Other	**5.9**	3.3
	$ 101.8	$ 614.3

xi. Gain (loss) on acquisition/disposition of assets and investments - net:

	Year ended December 31, 2011	2010
Assets:		
Cerro Casale [(a)]	**$ -**	$ 78.1
Investments:		
Harry Winston [(b)]	**30.9**	146.4
Working Interest in Diavik Diamond mine [(c)]	**-**	95.5
Gain on Red Back shares owned prior to acquisition	**-**	209.3
Osisko Mining [(d)]	**-**	74.1
Other investments	**(0.8)**	(4.2)
Other assets	**(5.3)**	-
	$ 24.8	$ 599.2

(a) On March 31, 2010, the Company sold one-half of its interest in Cerro Casale. See Note 6(iv).

(b) On March 23, 2011, the Company sold its remaining interest in Harry Winston. See Note 6(i).

(c) On August 25, 2010, the Company disposed of its Working Interest in Diavik. See Note 6(vii).

(d) On December 13, 2010, the Company sold its 1.8% interest in Osisko. See Note 6(x).

xii. Equity in gains (losses) of associates:

	Year ended December 31, 2011	2010
Cerro Casale [(a)]	**$ (2.3)**	$ 0.2
Harry Winston Diamond Corporation [(b)]	**-**	(2.1)
	$ (2.3)	$ (1.9)

(a) On March 31, 2010, the Company sold one-half of its interest in Cerro Casale. Subsequent to the disposition, the Company continues to hold a 25% interest in the project and the investment is accounted for under the equity method.

(b) On July 28, 2010, the Company sold its original investment in Harry Winston. See Note 6(vi).

xiii. Finance expense:

	Year ended December 31, 2011	2010
Accretion on reclamation and remediation obligation	**$ 21.4**	$ 13.7
Interest expense [(a)]	**44.7**	48.5
	$ 66.1	$ 62.2

(a) During the years ended December 31, 2011 and 2010, $26.5 million and $1.1 million of interest was capitalized to property, plant and equipment, respectively. See Note 7(iv).

xiv. Employee benefits expenses:

The following employee benefits expenses are included in production cost of sales, general and administrative, and exploration and business development expenses:

	Year ended December 31, 2011	2010
Salaries, short term incentives, and other benefits	**$ 450.0**	$ 333.8
Share-based payments	**36.5**	32.5
Other	**67.3**	58.2
	$ 553.8	$ 424.5

Consolidated Statements of Equity

xv. Accumulated other comprehensive income (loss):

	Investments [a]	Financial derivatives [b]	Total
Balance, at January 1, 2010	$ 45.5	$ (263.9)	$ (218.4)
Other comprehensive income before tax	29.6	13.2	42.8
Tax	(4.0)	0.3	(3.7)
Balance at December 31, 2010	$ 71.1	$ (250.4)	$ (179.3)
Other comprehensive income (loss) before tax	**(71.3)**	**118.7**	**47.4**
Tax	**4.2**	**30.0**	**34.2**
Balance at December 31, 2011	**$ 4.0**	**$ (101.7)**	**$ (97.7)**

(a) Balance at January 1, 2010 net of tax of $4.0 million

(b) Balance at January 1, 2010 net of tax of $9.6 million

8. IMPAIRMENT

During the year ended December 31, 2011, the Company recorded goodwill impairment charges of $2,490.1 million and $447.5 million at its Tasiast and Chirano CGUs, respectively, which were recorded within cost of sales in the consolidated statement of operations. The impairment charges were a result of changes in market conditions, including industry-wide increases in capital and operating costs, a decline in industry-wide valuations as at year-end and the Company's growing understanding of the Tasiast project parameters, including its analysis of a draft mine plan.

During 2010, the Company recorded an impairment charge of $290.7 million related to property, plant and equipment at Fruta del Norte, which is included in the exploration and business development expense. As at December 31, 2010, Fruta del Norte was reclassified into the development and operating properties category upon declaration of proven and probable reserves. There was no goodwill impairment in the year ended December 31, 2010.

Key assumptions and sensitivity

The key assumptions used in determining the recoverable amount (fair value less costs to sell) for each CGU are long-term commodity prices, discount rates, cash costs of production, capital expenditures, foreign exchange rates, and NAV multiples. The Company performed a sensitivity analysis on all key assumptions and determined that, other than as disclosed below, no reasonably possible change in any of the key assumptions would cause the carrying value of any CGU carrying goodwill to exceed its recoverable amount.

As at December 31, 2011, the recoverable amounts for the Tasiast and Chirano CGUs are equal to their carrying amounts, after giving effect to the goodwill impairment charges noted above. As at December 31, 2010, the recoverable amounts for Tasiast and Chirano are equal to their carrying amounts as they were recorded at fair value in the acquisition of Red Back on September 17, 2010 and their recoverable amounts did not change in the period from September 17, 2010 to December 31, 2010.

At December 31, 2011, the estimated recoverable amounts for the Round Mountain, Paracatu, and Maricunga CGUs exceed their carrying amounts by approximately $145 million, $970 million, and $271 million, respectively (December 31, 2010-$379 million, $2,342 million, and $147 million, respectively).

The table below shows the amount by which certain key assumptions would be required to change, in isolation, in order for the estimated recoverable amount to equal the carrying amount for each of the Round Mountain, Paracatu, and Maricunga CGUs.

	Percentage increase/decrease required for recoverable amount to equal carrying value					
	December 31, 2011			December 31, 2010		
Key assumptions	Round Mountain	Paracatu	Maricunga	Round Mountain	Paracatu	Maricunga
Long-term gold price[a]	**-34%**	**-18%**	**-10%**	-30%	-30%	-10%
LOM production cash costs per ounce[b]	**22%**	**21%**	**9%**	45%	36%	7%

(a) *See Note 3(ix) for long term gold prices.*

(b) *LOM production cash costs per ounce range from $757 to $879 for Round Mountain, Paracatu, and Maricunga in 2011 and $491 to $689 in 2010.*

In addition, at December 31, 2011, the LOM total capital expenditures would be required to increase by 35% (December 31, 2010-19%), in isolation, in order for the recoverable amount of the Maricunga CGU to equal its carrying amount.

However, the Company believes that adverse changes in any of the key assumptions would have associated impacts on certain other inputs into the long-term LOM plans, which may offset to a certain extent, the impact of the adverse change.

9. JOINT VENTURE INTERESTS

The Company conducts a portion of its business through joint ventures where the venturers are bound by contractual arrangements establishing joint control over the ventures. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint ventures.

As at December 31, 2011, the Company had a joint venture interest in Round Mountain and Crixás.

The following table contains selected financial information on Kinross' consolidated share of participation for each of its participating operating joint ventures for the years ended December 31, 2011 and 2010.

	As at and for the year ended December 31, **2011**		
	Round Mountain (i)	Crixás (ii)	Total
Metal sales	**$ 295.0**	**$ 100.8**	**$ 395.8**
Production cost of sales	**(129.2)**	**(50.3)**	**(179.5)**
Depreciation, depletion and amortization	**(28.7)**	**(13.3)**	**(42.0)**
Exploration and business development	**(0.6)**	**(1.9)**	**(2.5)**
Other	**(0.9)**	**(2.3)**	**(3.2)**
Operating earnings	**$ 135.6**	**$ 33.0**	**$ 168.6**
Current assets	**$ 38.3**	**$ 27.0**	**$ 65.3**
Property, plant and equipment	**203.4**	**94.9**	**298.3**
Goodwill	**58.7**	**38.0**	**96.7**
Deferred charges and other long-term assets	**11.4**	**3.3**	**14.7**
	$ 311.8	**$ 163.2**	**$ 475.0**
Current liabilities	**22.3**	**24.0**	**46.3**
Non-current liabilities	**44.0**	**28.6**	**72.6**
	66.3	**$ 52.6**	**$ 118.9**
Net investment in joint ventures	**$ 245.5**	**$ 110.6**	**$ 356.1**

	As at and for the year ended December 31, 2010		
	Round Mountain (i)	Crixás (ii)	Total
Metal sales	$ 227.5	$ 94.7	$ 322.2
Production cost of sales	(115.4)	(37.5)	(152.9)
Depreciation, depletion and amortization	(20.0)	(18.1)	(38.1)
Exploration and business development	(0.7)	(0.1)	(0.8)
Other	0.3	(0.3)	-
Operating earnings	$ 91.7	$ 38.7	$ 130.4
Current assets	$ 38.0	$ 29.8	$ 67.8
Property, plant and equipment	177.7	79.6	257.3
Goodwill	58.7	38.0	96.7
Deferred charges and other long-term assets	11.4	2.6	14.0
	$ 285.8	$ 150.0	$ 435.8
Current liabilities	20.1	24.5	44.6
Non-current liabilities	39.7	16.6	56.3
	$ 59.8	$ 41.1	$ 100.9
Net investment in joint ventures	$ 226.0	$ 108.9	$ 334.9

Contingent liabilities and capital commitments related to these joint ventures are included in Note 20.

(i) Round Mountain

The Company owns a 50% interest in the Smoky Valley Common Operation joint venture, which owns the Round Mountain mine, located in Nye County, Nevada, U.S.A. Under the joint venture agreement between the Company and Barrick, the Company is the operator.

The Management Committee of the joint venture represents the joint venture partners, authorizes annual programs and budgets and approves major transactions prior to execution by site management. The joint venture owners are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested.

(ii) Crixás

The Company owns a 50% interest in Mineração Serra Grande, S.A. ("MSG"), which owns the Crixás mine, located in central Brazil. Under the joint venture agreement, a wholly owned subsidiary of AngloGold Ashanti Limited is the operator.

The Board of Directors of MSG approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required.

10. INVESTMENTS IN ASSOCIATES AND WORKING INTEREST

The carrying values of the Company's investments in associates as at December 31, 2011, December 31, 2010 and the transition date are as follows:

		December 31, **2011**	December 31, 2010	January 1, 2010
Carrying Values				
Cerro Casale [(a)]	**$**	**502.5**	$ 467.5	$ -
Harry Winston Diamond Corporation		**-**	-	41.3
Working interest in Diavik		**-**	-	109.4
	$	**502.5**	$ 467.5	$ 150.7

(a) At January 1, 2010, Cerro Casale was accounted for as a joint venture.

There are no publicly quoted market prices for Cerro Casale or for Diavik. The market value of the Company's investment in Harry Winston at January 1, 2010 was $146.0 million.

Contingent liabilities related to investments in associates are included in Note 20.

The following table contains summarized financial information for the Company's investments in associates and Working Interest:

		December 31, **2011**	December 31, 2010	January 1, 2010
Balance Sheets				
Current assets	**$**	**15.8**	$ 1.3	$ 441.9
Non-current assets		**272.5**	186.4	1,052.9
		288.3	187.7	1,494.8
Current liabilities		**22.3**	22.2	157.4
Non-current liabilities		**0.1**	0.7	476.8
		22.4	22.9	634.2
Net assets	**$**	**265.9**	$ 164.8	$ 860.6

		Year ended December 31, **2011**	2010
Statements of operations			
Revenue	**$**	**-**	$ 247.7
Other income and (expenses)		**(11.4)**	(254.6)
Income tax recovery (expense)		**2.3**	(0.3)
Net earnings (loss)	**$**	**(9.1)**	$ (7.2)

Cerro Casale

At January 1, 2010, the Company had a 50% joint venture interest in the Cerro Casale project. On March 31, 2010, the Company sold one-half of its interest to Barrick, its joint venture partner. Subsequent to the disposition, the Company continues to hold a 25% interest in the project as an investment in associate.

Harry Winston

At the transition date, the Company's investment in Harry Winston was accounted for as an investment in associate. On July 23, 2010, Kinross sold its approximate 19.9% equity interest in Harry Winston.

Working Interest in Diavik Diamond mine

At the transition date, the Company held a 22.5% interest in the partnership holding Harry Winston's 40% interest in the Diavik Diamond Mines joint venture. On August 25, 2010, the Company sold its interest to Harry Winston.

11. FINANCIAL INSTRUMENTS

i. Fair values of financial instruments

Carrying values for primary financial instruments, including cash and cash equivalents, short-term investments and accounts receivable, accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Fair value estimates for derivative contracts are based on quoted market prices for comparable contracts and represent the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at the balance sheet date.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets (liabilities) measured at fair value on a recurring basis as at December 31, 2011 include:

	Level 1	Level 2	Level 3	Aggregate Fair Value
Available-for-sale investments	**$ 79.4**	**$ -**	**$ -**	**$ 79.4**
Embedded derivatives	**(18.6)**	**(2.6)**	**-**	**(21.2)**
Derivative instruments	**-**	**(74.3)**	**-**	**(74.3)**
	$ 60.8	**$ (76.9)**	**$ -**	**$ (16.1)**

The valuation techniques that are used to measure fair value are as follows:

Available-for-sale investments:

The fair value of available-for-sale investments is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale investments are classified within Level 1 of the fair value hierarchy.

Embedded derivatives:

The Company determines the fair value of the embedded derivative related to its Canadian dollar denominated common share purchase warrants based on the closing price that is a quoted market price obtained from the exchange that is the principal active market for the warrants, and therefore is classified within Level 1 of the fair value hierarchy.

The Company determines the fair value of the embedded derivative related to the conversion options on its convertible notes based on pricing models which use a number of observable market-determined variables. These embedded derivatives are classified within Level 2 of the fair value hierarchy.

Derivative instruments:

The fair value of derivative instruments is based on quoted market prices for comparable contracts and represents the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at the balance sheet dates and therefore derivative instruments are classified within Level 2 of the fair value hierarchy.

ii. Derivative instruments

	December 31, 2011 Asset/(Liability) Fair Value	AOCI	December 31, 2010 Asset/(Liability) Fair Value	AOCI	January 1, 2010 Asset/(Liability) Fair Value	AOCI
Interest rate contract						
Interest rate swap (i)	**$ (0.1)**	**$ -**	$ (4.4)	$ (0.3)	$ (8.3)	$ (6.7)
Currency contract						
Foreign currency forward contracts [b] (ii)	**(75.1)**	**(54.4)**	55.0	39.9	38.1	27.2
Commodity contracts						
Gold and silver forward contracts [a] (iii)	**-**	**(48.6)**	(333.7)	(291.3)	(332.8)	(285.3)
Gold contract related to Julietta sale	**-**	**-**	-	-	4.3	-
Energy forward contracts [c] (iv)	**1.6**	**1.3**	1.7	1.3	1.3	0.9
Other contracts						
Total return swap (v)	**(0.7)**	**-**	-	-	(0.2)	-
	$ 0.9	**$ (47.3)**	$ (332.0)	$ (290.0)	$ (327.4)	$ (284.4)
Canadian dollar denominated common share purchase warrants liability (vi)	**(18.6)**	**-**	(48.4)	-	(83.6)	-
Senior convertible notes – conversion option (vii)	**(2.6)**	**-**	(38.9)	-	(77.2)	-
Total all contracts	**$ (95.5)**	**$ (101.7)**	$ (368.7)	$ (250.4)	$ (458.4)	$ (263.9)
Unrealized fair value of derivative assets						
Current	**2.8**		133.4		44.3	
Non-current	**1.1**		2.6		1.9	
	$ 3.9	$	136.0	$	46.2	
Unrealized fair value of derivative liabilities						
Current	**(66.7)**		(407.7)		(214.6)	
Non-current	**(32.7)**		(97.0)		(290.0)	
Total net fair value	**$ (99.4)**	$	(504.7)	$	(504.6)	
	$ (95.5)	$	(368.7)	$	(458.4)	

(a) Of the total amount recorded in AOCI, $48.6 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(b) Of the total amount recorded in AOCI, $32.9 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(c) Of the total amount recorded in AOCI, $(0.5) million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(i) Interest rate contracts

Acquired with the acquisition of Bema was an interest rate swap whereby the Company paid a fixed rate of 4.4975% and received a floating interest rate on a principal amount that varied from $4.2 million to $140.0 million, and an interest rate cap and floor whereby the Company paid a maximum rate of 6.37% and a minimum of 4.75% on a principal amount that varied from $3.7 million to $70.0 million. These contracts were closed out and early settled in August 2011. The fair market value of the interest rate swap was a liability of $2.1 million and $4.3 million at December 31, 2010 and January 1, 2010, respectively. The fair value of the interest rate cap and floor was a liability of $1.9 million and $2.8 million at December 31, 2010 and January 1, 2010, respectively.

During 2008, the Company entered into an interest rate swap in order to fix the interest rates on 50% of the term loan for Paracatu. Under the contract, Kinross Brasil Mineração S.A. ("KBM"), a wholly-owned subsidiary

of the Company, will pay a rate of 3.83% and receive LIBOR plus 1%. As at December 31, 2011, the fair value was a liability of $0.1 million (December 31, 2010 - $0.5 million, January 1, 2010 - $1.2 million).

(ii) Foreign currency forward contracts

The following table provides a summary of foreign currency forward contracts outstanding at December 31, 2011, maturing in:

	2012	2013	2014	Total
Foreign currency				
Brazilian real forward buy contracts				
(in millions of U.S. dollars)	437.4	158.0	88.5	683.9
Average price	1.83	1.92	2.13	1.89
Chilean peso forward buy contracts				
(in millions of U.S. dollars)	210.0	72.0	66.0	348.0
Average price	492.86	522.59	553.44	510.50
Russian rouble forward buy contracts				
(in millions of U.S. dollars)	110.4	48.0	18.0	176.4
Average price	32.38	32.05	34.84	32.54
Canadian dollar forward buy contracts				
(in millions of U.S. dollars)	99.8	24.0	-	123.8
Average price	1.00	1.00	-	1.00

During 2011, the following new forward buy derivative contracts were engaged:

- $627.9 million at an average rate of 1.88 Brazilian real, with maturities in 2012, 2013 and 2014;
- $390.0 million at an average rate of 509.09 Chilean pesos, with maturities in 2011, 2012, 2013 and 2014;
- $128.4 million at an average rate of 32.33 Russian roubles, with maturities in 2012, 2013 and 2014; and
- $145.8 million at an average rate of 1.00 Canadian dollars, with maturities in 2011, 2012 and 2013;

At December 31, 2011, the unrealized gain or loss on the derivative contracts recorded in AOCI is as follows:

- Brazilian real forward buy contracts - unrealized loss of $29.8 million (December 31, 2010 - $23.1 million gain, January 1, 2010 - $15.2 million gain)
- Chilean peso forward buy contracts - unrealized loss of $16.0 million (December 31, 2010 - $10.1 million gain, January 1, 2010 - $7.6 million gain);
- Russian rouble forward buy contracts - unrealized loss of $6.4 million (December 31, 2010 - $2.2 million gain, January 1, 2010 - $4.3 million gain); and
- Canadian dollar forward buy contracts - unrealized loss of $2.2 million (December 31, 2010 - $4.2 million gain, January 1, 2010 - $0.1 million gain).

(iii) Gold and silver forward contracts

The Company had gold and silver derivative instruments acquired with the Bema acquisition, primarily related to Kupol financing requirements, which the Company closed out and early settled in the third quarter of 2011.

During the year ended December 31, 2011, the Company entered into gold forward purchase contracts as follows:

- 40,665 ounces of gold at an average price of $1,364 per ounce which mature in 2011; and

- 36,380 ounces of gold at an average price of $1,363 per ounce which mature in 2012.

During 2010, the Company entered into gold forward contracts to purchase 394,885 ounces of gold at an average rate of $1,181 per ounce. Contracts for 91,250 ounces of gold matured in 2010, 265,940 ounces were to mature in 2011, with the remainder of 37,695 ounces maturing in 2012. The purpose of these derivatives was to offset a portion of the derivatives which were acquired with the Bema acquisition.

Commensurate with the engagement of these derivatives, the Company de-designated the gold forward sale contract hedging relationship for 100% of the remaining 2011 maturities and 100% of 2012 maturities. As noted above, the Company subsequently closed out and early settled all outstanding gold and silver forward contracts.

(iv) Energy forward contracts

The Company is exposed to changes in energy prices through its consumption of diesel fuel, and the price of electricity in some electricity supply contracts. The Company entered into energy forward contracts that protect against the risk of fuel price increases. Diesel fuel is consumed in the operation of mobile equipment and electricity generation.

The following table provides a summary of energy forward contracts outstanding at December 31, 2011, maturing in:

	2012	2013	2014	Total
Energy				
Oil forward buy contracts (barrels)	290,000	115,000	45,000	450,000
Average price	92.21	91.22	83.04	91.04
Diesel forward buy contracts (gallons)	4,830,000	2,310,000	-	7,140,000
Average price	2.96	2.93	-	2.95
Gasoil forward buy contracts (tonnes)	14,765	-	-	14,765
Average price	933.26	-	-	933.26

During 2011, the following new forward buy derivative contracts were engaged:

- 602,000 barrels of Nymex Crude WTI oil at an average rate of $92.09 per barrel, with maturities in 2011, 2012, 2013 and 2014;
- 7.14 million gallons of diesel at an average rate of $2.95 per gallon, with maturities in 2012 and 2013; and
- 16,107 tonnes of gasoil at an average rate of $933.25 per tonne, with maturities in 2011 and 2012.

At December 31, 2011, the unrealized gain or loss on these derivative contracts recorded in AOCI is as follows:

- Oil forward buy contracts - unrealized gain of $1.8 million (December 31, 2010 - $1.3 million gain, January 1, 2010 - $0.9 million gain)
- Diesel forward buy contracts - unrealized loss of $0.3 million (December 31, 2010 - $nil, January 1, 2010 - $nil); and
- Gas oil forward buy contracts - unrealized loss of $0.2 million (December 31, 2010 - $nil, January 1, 2010 - $nil).

(v) Total return swap

A total return swap ("TRS") was engaged during the fourth quarter of 2008 as an economic hedge of the Company's deferred share units ("DSUs"). Under the terms of the TRS, a bank has the right to purchase Kinross shares in the marketplace as a hedge against the returns in the TRS. At December 31, 2011, 93% of the DSUs were economically hedged, although hedge accounting was not applied.

(vi) Canadian dollar denominated common share purchase warrants liability

The Company's Canadian dollar denominated common share purchase warrants are considered derivative instruments and are measured at fair value on initial recognition and subsequently at each reporting date, with changes in fair value recognized in the consolidated statement of operations. For the year ended December 31, 2011, the Company recognized a gain of $29.8 million (year ended December 31, 2010 - a gain of $35.2 million) in the consolidated statement of operations.

(vii) Senior convertible notes - conversion option

The Company's option to settle its convertible notes in cash or shares upon conversion causes the conversion option to be considered an embedded derivative which is recognized at fair value on initial recognition and subsequently at each reporting date with changes in the fair value recognized in the consolidated statement of operations. For the year ended December 31, 2011, the Company recognized a gain of $36.4 million (year ended December 31, 2010 - a gain of $38.3 million) in the consolidated statement of operations.

12. CAPITAL AND FINANCIAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of debt and equity financing. The Board of Directors has established a number of quantitative measures related to the management of capital. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company is sensitive to changes in commodity prices, foreign exchange and interest rates. The Company manages its exposure to changes in currency exchange rates, energy and interest rates by periodically entering into derivative financial instrument contracts in accordance with the formal risk management policy approved by the Company's Board of Directors. The Company's policy is to not hedge metal sales. However in limited circumstances the Company may use derivative contracts to hedge against the risk of falling prices for a portion of its forecasted metal sales. The Company may also assume derivative contracts as part of a business acquisition or they may be required under financing arrangements.

All of the Company's hedges are cash flow hedges. The Company applies hedge accounting whenever hedging relationships exist and have been documented.

i. Capital management

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration, and other areas of the business in any gold price environment;
- Ensure the Company has the capital and capacity to support a long-term growth strategy;
- Provide investors with a superior rate of return on their invested capital;
- Ensure compliance with all bank covenant ratios; and
- Minimize counterparty credit risk.

Kinross adjusts its capital structure based on changes in forecasted economic conditions and based on its long term strategic business plan. Kinross has the ability to adjust its capital structure by issuing new equity, drawing on existing credit facilities, issuing new debt, and by selling or acquiring assets. Kinross can also control how much capital is returned to shareholders through dividends and share buybacks.

The Company is not subject to any externally imposed capital restrictions.

The Company's quantitative capital management objectives are largely driven by the requirements under its debt agreements and are noted in the tables below:

	December 31, **2011**	December 31, 2010	January 1 2010
Long-term debt	**$ 1,600.4**	$ 426.0	$ 475.8
Current portion of long-term debt	**32.7**	48.4	177.0
Total debt	**1,633.1**	474.4	652.8
Common shareholders' equity	**12,390.4**	14,531.1	5,527.7
Gross debt / common shareholders' equity ratio	**13.2%**	3.3%	11.8%
Company target	**0 - 30%**	0 - 30%	0 - 30%
Rolling 12 month EBITDA [(a)]	**$ 2,033.4**	$ 1,495.1	$ 1,193.4
Rolling 12 month cash interest expense [(b)]	**71.2**	49.7	36.3
Interest coverage ratio	**28.6:1**	30.1:1	32.9:1
Company target ratio	**> 4.25:1**	> 4.25:1	> 4.25:1

(a) EBITDA is a defined term under the Company's current credit facility.

(b) Interest expense includes interest expense included in finance expense on the consolidated statement of operations in addition to capitalized interest.

ii. Gold and silver price risk management

The Company's policy is to not hedge metal sales. However, in certain circumstances the Company may use derivative contracts to hedge against the risk of falling prices for a portion of its forecasted metal sales. The Company may also assume derivative contracts as part of a business acquisition or they may be required under financing arrangements. As a result of the acquisition of Bema in February 2007, the Company assumed gold and silver forward sales contracts, call options, and put options, primarily due to requirements related to the Kupol project financing.

During the third quarter of 2011, the Company closed out and early settled all gold and silver derivative financial instruments and other contracts that were required under the terms of the Kupol project financing that was acquired with the acquisition of Bema.

iii. Currency risk management

The Company is primarily exposed to currency fluctuations relative to the U.S. dollar on expenditures that are denominated in Canadian dollars, Brazilian reais, Chilean pesos, Russian roubles, Mauritanian ouguiya and Ghanaian cedi. This risk is reduced, from time to time, through the use of foreign currency forward contracts to lock in the exchange rates on future non-U.S. denominated currency cash outflows. The Company has entered into forward contracts to purchase the Canadian dollars, Brazilian reais, Chilean pesos, and Russian

roubles as part of this risk management strategy. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities. The Company does not actively manage this exposure.

		10% strengthening in US$		10% weakening in US$	
	Foreign currency net working asset (liability) in US$	Effect on earnings before taxes, gain (loss) [(a)]	Effect on OCI before taxes, gain (loss) [(a)]	Effect on earnings before taxes, gain (loss) [(a)]	Effect on OCI before taxes, gain (loss) [(a)]
Canadian dollars	**(21.3)**	**1.9**	**-**	**(2.4)**	**-**
Brazilian reais	**15.8**	**(1.4)**	**-**	**1.8**	**-**
Chilean pesos	**(55.1)**	**5.0**	**-**	**(6.1)**	**-**
Russian roubles	**59.4**	**(5.4)**	**-**	**6.6**	**-**
Euros	**(12.6)**	**1.1**	**-**	**(1.4)**	**-**
Mauritania ouguiya	**18.6**	**(1.7)**	**-**	**2.1**	**-**
Ghanian cedi	**26.5**	**(2.4)**	**-**	**2.9**	**-**
Other [(b)]	**(19.2)**	**1.8**	**-**	**(2.2)**	**-**

(a) As described in Note 3 (ii), the Company translates its monetary assets and liabilities into U.S. dollars at the rates of exchange at the consolidated balance sheet dates. Gains and losses on translation of foreign currencies are included in earnings.

(b) Includes British pounds, Australian dollars, South African rand, and Japanese yen.

At December 31, 2011, with other variables unchanged, the following represents the effect of the Company's foreign currency forward contracts on earnings before taxes and OCI before taxes from a 10% change in the exchange rate of the U.S. dollar against the Canadian dollar, Brazilian real, Chilean peso, and Russian rouble.

	10% strengthening in US$		10% weakening in US$	
	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) [(a)]	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) [(a)]
Canadian dollars	**-**	**$ (10.8)**	**-**	**$ 13.4**
Brazilian reais	**$ 0.1**	**$ (56.4)**	**-**	**$ 69.4**
Chilean pesos	**-**	**$ (29.0)**	**-**	**$ 35.8**
Russian roubles	**-**	**$ (14.9)**	**-**	**$ 18.3**

(a) Upon maturity of these contracts the amounts in OCI before taxes will reverse against hedged items the contracts relate to, which may be to earnings or property, plant and equipment.

iv. Interest rate risks

The Company is exposed to interest rate risk on its variable rate debt. As a result of the acquisition of Bema in February 2007, the Company assumed an interest rate swap, an interest rate cap and an interest rate floor contract. As discussed in Note 11, these contracts were closed out and early settled in August 2011.

During 2008, the Company entered into an interest rate swap for Kinross Brasil Mineração S.A. ("KBM"), formerly known as Rio Paracatu Mineração S.A., a 100% subsidiary of Kinross. At December 31, 2011 with other variables unchanged, a 50 basis point downward shift in the interest rate curve would not impact earnings before taxes and OCI before taxes, and a 50 basis point upward shift in the interest rate curve would not impact earnings before taxes and OCI before taxes.

v. Energy

The Company is exposed to changes in energy prices through its consumption of diesel fuel, and the price of electricity in some electricity supply contracts. The Company entered into energy forward contracts that protect against the risk of fuel price increases. Diesel fuel is consumed in the operation of mobile equipment and electricity generation.

At December 31, 2011, with other variables unchanged, the following represents the effect of the Company's energy forward contracts on earnings before taxes and OCI before taxes from a 10% change in oil, gas oil, and diesel prices.

	10% increase in price		10% decrease in price	
Energy price risk	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) [(a)]	Effect of on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) [(a)]
Oil price	**- $**	**4.3**	**- $**	**(4.2)**
Gasoil price	**- $**	**1.4**	**- $**	**(1.3)**
Diesel price	**- $**	**2.0**	**- $**	**(4.0)**

(a) Upon maturity of these contracts the amounts in OCI before taxes will reverse against hedged items the contracts relate to, which will be to earnings.

vi. Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances (December 31, 2011 - $1,766.0 million), by utilizing its lines of credit and by monitoring developments in the capital markets. The Company continuously monitors and reviews both actual and forecasted cash flows.

The contractual cash flow requirements for financial liabilities at December 31, 2011 are as follows:

	Total	Less than 2 years	More than 2, less than 3 years	More than 3, less than 5 years	More than 5 years
Long-term debt [(a)]	**$ 2,563.5**	**$ 696.2**	**$ 121.8**	**$ 437.7**	**$ 1,307.8**
Derivative liabilities - net	**$ 74.3**	**$ 66.2**	**$ 8.1**	**-**	**-**

(a) Includes long-term debt, including the current portion, interest, as well as obligations under letters of credit issued and the full face value of the Senior convertible notes and Senior notes.

vii. Credit risk management

Credit risk relates to cash and cash equivalents, accounts receivable and derivative contracts and arises from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. As at December 31, 2011, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, trade receivables, derivative contracts, and taxes recoverable.

13. LONG-TERM DEBT AND CREDIT FACILITIES

			December 31, 2011				December 31, 2010		January 1, 2010	
		Interest Rates	Nominal amount	Deferred Financing Costs	Carrying Amount [a]	Fair Value	Carrying Amount [a]	Fair Value	Carrying Amount [a]	Fair Value
Corporate revolving credit facility	(i)	Variable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Senior convertible notes	(iii)	1.75%	**420.7**	**-**	**420.7**	**457.3**	390.9	450.5	363.2	403.1
Senior notes	(iv)	3.625%-6.875%	**992.7**	**(11.3)**	**981.4**	**986.1**	-	-	-	-
Kupol project loan	(v)	Variable	**200.0**	**(5.9)**	**194.1**	**194.1**	-	-	158.4	157.9
Corporate term loan facility	(i)	Variable	**22.7**	**(0.3)**	**22.4**	**22.3**	56.8	57.1	92.0	92.6
Paracatu finance leases	(ii)	5.62%	**12.8**	**-**	**12.8**	**13.1**	22.3	23.2	31.8	32.2
Maricunga finance leases	(ii)	6.04%	**-**	**-**	**-**	**-**	-	-	0.2	0.2
Kettle River - Buckhorn finance lease	(ii)	7.70%	**-**	**-**	**-**	**-**	0.1	0.1	0.1	0.1
Crixás bank loan and other		Variable	**1.7**	**-**	**1.7**	**1.7**	$ 4.3	$ 4.3	7.1	7.1
			1,650.6	**(17.5)**	**1,633.1**	**1,674.6**	474.4	535.2	652.8	693.2
Less: current portion			**(33.0)**	**0.3**	**(32.7)**	**(32.7)**	(48.4)	(48.4)	(177.0)	(177.0)
Long-term debt			**$ 1,617.6**	**$ (17.2)**	**$ 1,600.4**	**$ 1,641.9**	$ 426.0	$ 486.8	$ 475.8	$ 516.2

(a) Includes transaction costs on debt financings.

Scheduled debt repayments

	2012	2013	2014	2015	2016	2017 and thereafter	Total
Corporate revolving credit facility	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Senior convertible notes	**-**	**420.7**	**-**	**-**	**-**	**-**	**420.7**
Senior notes	**-**	**-**	**-**	**-**	**249.0**	**743.7**	**992.7**
Kupol project loan	**-**	**60.0**	**60.0**	**60.0**	**20.0**	**-**	**200.0**
Corporate term loan facility	**22.7**	**-**	**-**	**-**	**-**	**-**	**22.7**
Paracatu finance leases	**9.5**	**3.3**	**-**	**-**	**-**	**-**	**12.8**
Crixás bank loan and other	**0.8**	**0.7**	**0.2**	**-**	**-**	**-**	**1.7**
Total debt payable	**$ 33.0**	**$ 484.7**	**$ 60.2**	**$ 60.0**	**$ 269.0**	**$ 743.7**	**$ 1,650.6**

i. Corporate revolving credit and term loan facilities

In November 2009, the Company entered into an amended revolving credit facility which provides credit of $450.0 million on an unsecured basis and expires in November 2012. The term loan (corporate term loan facility) for the Paracatu property forms part of the amended revolving credit facility, and that credit will be available to the Company as the term loan is repaid.

On June 17, 2010, the Company entered into a further amendment to increase availability under the facility to $600.0 million. On September 17, 2010, the revolving credit facility was further amended to add Mauritania, Ghana, and Côte d'Ivoire as permitted jurisdictions as a result of the Red Back acquisition. All other terms and conditions under the existing revolving credit facility remained unchanged.

On March 31, 2011, the Company entered into a further amendment to increase the availability under the facility to $1,200.0 million. The term of the facility was also extended from November 2012 to March 2015.

As at December 31, 2011, the Company had drawn $55.5 million (December 31, 2010 - $87.7 million, January 1, 2010 - $124.4 million) on the amended revolving credit facility, including drawings for the Paracatu term loan and $32.8 million (December 31, 2010 - $28.6 million, January 1, 2010 - $28.9 million) for letters of credit.

The amended revolving credit facility agreement contains various covenants including limits on indebtedness, asset sales and liens. Significant financial covenants include a minimum tangible net worth of $5,250.0 million and increasing by 50% of positive net income each quarter, starting with the quarter ending

March 31, 2011, (previously $3,345.3 million starting September 30, 2009 and increasing by 50% of positive net income each quarter), an interest coverage ratio of at least 4.25:1, and net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with these covenants at December 31, 2011.

Loan interest is variable, set at LIBOR plus an interest rate margin which is dependent on the ratio of the Company's net debt to EBITDA as defined in the agreement.

The Company's current ratio of net debt to EBITDA, as defined in the agreement, is less than 1.00:1. At this ratio, interest charges are as follows:

Type of credit	Credit facility
Dollar based LIBOR loan	LIBOR plus 1.75%
Letters of credit	1.75%
Standby fee applicable to unused availability	0.44%

Also in November 2009, the Company entered into a separate Letter of Credit guarantee facility with Export Development Canada for $125.0 million. Letters of credit guaranteed by this new facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River - Buckhorn. Fees related to letters of credit under this facility are 1.00% to 1.25%.

On July 30, 2010, the Company entered into an amendment to increase the amount of the Letter of Credit guarantee facility from $125.0 million to $136.0 million. All other terms and conditions under this agreement remain the same. As at December 31, 2011, the amount outstanding under this facility was $135.1 million (December 31, 2010 - $135.1 million, January 1, 2010 - $96.4 million).

In addition, at December 31, 2011, the Company had approximately $41.0 million (December 31, 2010 - $11.5 million, January 1, 2010 - $15.8 million) in letters of credit outstanding, in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with Brazilian and international banks.

ii. Finance leases

As at December 31, 2011 and 2010 and January 1, 2010, the finance lease obligations are as follows:

	December 31, 2011			December 31, 2010			January 1, 2010		
	Future Payments	Interest	Present value	Future payments	Interest	Present value	Future payments	Interest	Present value
Less than one year	**10.0**	**0.5**	**9.5**	10.7	1.1	9.6	11.4	1.7	9.7
Between one and five	**3.4**	**0.1**	**3.3**	13.3	0.5	12.8	23.8	1.4	22.4
Later than five years	**-**	**-**	**-**	-	-	-	-	-	-
	$ 13.4	**$ 0.6**	**$ 12.8**	$ 24.0	$ 1.6	$ 22.4	$ 35.2	$ 3.1	$ 32.1

The Company recorded interest expense related to the finance leases of $1.1 million and $1.6 million for the years ended December 31, 2011 and 2010 respectively. The cost of the assets and the accumulated depreciation related to the finance leases was $39.8 million and $20.2 million, respectively as at December 31, 2011 (December 31, 2010 - $39.8 million and $14.1 million, January 1, 2010 - $73.8 million and $24.1 million). The depreciation expense related to these assets in 2011 was $6.1 million (2010 - $8.4 million).

iii. Senior convertible notes

In January 2008, the Company completed a public offering of $460.0 million senior convertible notes due March 15, 2028, each in the amount of one thousand dollars. The notes will pay interest semi-annually at a rate of 1.75% per annum. The notes will be convertible, at the holder's option, equivalent to a conversion price of $28.04 per share of common stock subject to adjustment. Kinross received net proceeds of $449.9 million from the offering of convertible notes, after payment of the commissions of the initial purchasers and expenses of the offering. The convertible notes are convertible into Kinross common shares at a fixed conversion rate, subject to certain anti-dilution adjustments, only in the event that (i) the market price of Kinross common shares exceeds 130% of the effective conversion price of the convertible notes, (ii) the trading price of the convertible notes falls below 98% of the amount equal to Kinross' then prevailing common share price, times the applicable conversion rate, (iii) the convertible notes are called for redemption, (iv) upon the occurrence of specified corporate transactions or (v) if Kinross common shares cease to be listed on a specified stock exchange or eligible for trading on an over-the-counter market. The convertible notes will also be convertible on and after December 15, 2027. The convertible senior notes are redeemable by the Company, in whole or part, for cash at any time on or after March 20, 2013, at a redemption price equal to par plus accrued and unpaid interest, if any, to the redemption date. Holders of the convertible notes will have the right to require Kinross to repurchase the convertible notes on March 15, 2013, 2018 and 2023, and, on or prior to March 20, 2013, upon certain fundamental changes. The redemption price will be equal to 100% of the principal amount of the convertible notes plus accrued and unpaid interest to the redemption date, if any.

iv. Senior notes

On August 22, 2011, the Company completed a $1.0 billion offering of debt securities consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021 and $250.0 million principal amount of 6.875% senior notes due 2041 (collectively, the "notes"). The notes pay interest semi-annually. Kinross received net proceeds of $980.9 million from the offering, after discount, payment of the commissions to the initial purchasers and expenses directly related to the offering. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indenture, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months and six months of maturity of the notes due in 2021 and 2041, respectively, the Company can only redeem the notes in whole at 100% of the principal amount plus accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a redemption price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the redemption date, if any.

v. Kupol project financing

The original Kupol project financing loan was repaid in full in December 2010.

On December 21, 2011, the Company completed a $200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of $30.0 million will commence in March 2013 and continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to $13.0 million and $7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs, if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of $204.8 million are pledged as security as part of the Kupol project financing.

As at December 31, 2011, cash of $34.0 million was restricted for payments related to this loan.

14. PROVISIONS

	Reclamation and remediation obligations (i)	Other	Total
Balance at January 1, 2011 (a)	$ 555.4	$ 45.8	$ 601.2
Additions	70.3	2.0	72.3
Reductions	(52,1)	(11.2)	(63.3)
Reclamation spending	(12.1)	-	(12.1)
Accretion	21.4	-	21.4
Reclamation expenses	15.7	-	15.7
Balance at December 31, 2011	$ 598.6	$ 36.6	$ 635.2
Current portion	37.8	0.3	38.1
Non-current portion	560.8	36.3	597.1
	$ 598.6	$ 36.6	$ 635.2

(a) The balance at January 1, 2011 has been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).

i. Reclamation and remediation obligations

The Company conducts its operations so as to protect the public health and the environment, and to comply with all applicable laws and regulations governing protection of the environment. Reclamation and remediation obligations arise throughout the life of each mine. The Company estimates future reclamation costs based on the level of current mining activity and estimates of costs required to fulfill the Company's future obligation. The above table details the items that affect the reclamation and remediation obligations. The additions and reductions reflect changes in estimated costs, timing of expenditures and discount rates at individual sites.

Included in other operating costs for the year ended December 31, 2011 is a $15.7 million charge (December 31, 2010 - $6.2 million) reflecting revised estimated fair values of costs that support the reclamation and remediation obligations for properties that have been closed. The majority of the expenditures are expected to occur between 2012 and 2051. The discount rates used in estimating the site restoration cost obligation were between 0.1% and 11.1% for the year ended December 31, 2011 (December 31, 2010 - 0.3% and 12.6%), and the inflation rate used was between 1.4% and 5.6% for the year ended December 31, 2011 (December 31, 2010 - 1.7% and 6.1%).

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. As at December 31, 2011, letters of credit totaling $170.8 million (December 31, 2010 - $155.4 million) had been issued to various regulatory agencies to satisfy financial assurance requirements for this purpose. The letters of credit were issued against the Company's Letter of Credit guarantee facility with Export Development Canada and the revolving credit facility. The Company believes it is in compliance with all applicable requirements under these facilities.

15. COMMON SHARE CAPITAL AND COMMON SHARE PURCHASE WARRANTS

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. A summary of common share transactions for the years ended December 31, 2011 and 2010 is as follows:

	Year ended December 31, **2011**		Year ended December 31, 2010	
	Number of shares ('000's)	Amount ($)	Number of shares ('000's)	Amount ($)
Common shares				
Balance at January 1,	**1,133,295**	**$ 14,414.2**	696,027	$ 6,377.4
Issued:				
On acquisition of properties	**223**	**3.8**	-	-
On acquisition of Underworld	**-**	**-**	6,501	117.7
On acquisition of Dvoinoye	**-**	**-**	10,558	173.9
On acquisition of Red Back	**-**	**-**	416,358	7,678.3
Under employee share purchase plan	**421**	**6.2**	304	5.1
Under stock option and restricted share plan	**1,405**	**26.2**	1,152	20.8
Under Aurelian options	**377**	**6.1**	316	4.6
Under Bema options	**22**	**0.3**	11	0.1
Under Underworld options	**28**	**0.6**	214	3.8
Under Red Back options	**1,850**	**35.6**	1,632	30.1
Conversions:				
Bema warrants	**111**	**1.6**	222	2.4
Balance, at end of period	**1,137,732**	**$ 14,494.6**	1,133,295	$ 14,414.2
Common share purchase warrants [(a)]				
Balance at January 1,	**50,262**	**$ 162.2**	24,725	$ 1.9
On acquisition of Red Back	**-**	**-**	25,759	161.3
Conversion of warrants	**(111)**	**(0.2)**	(222)	(1.0)
Expiry of warrants	**(4,697)**	**-**	-	-
Balance, at end of period	**45,454**	**$ 162.0**	50,262	$ 162.2
Total common share capital and common share purchase warrants		**$ 14,656.6**		$ 14,576.4

(a) Amount includes only the value of the U.S. dollar denominated warrants. Canadian dollar denominated warrants are considered an embedded derivative and classified as a liability (see Note 11).

i. Dividends on common shares

The following summarizes dividends paid during the years ended December 31, 2011 and 2010. There were no dividends declared but unpaid at December 31, 2011.

	Per share	Total amount ($)
Dividends paid during the following periods:		
Three months ended September 30, 2011	**$ 0.06**	**$ 68.0**
Three months ended March 31, 2011	**$ 0.05**	**56.8**
Total		**$ 124.8**

	Per share	Total amount ($)
Dividends paid during the following periods:		
Three months ended September 30, 2010	**$ 0.05**	**$ 35.7**
Three months ended March 31, 2010	**$ 0.05**	**34.9**
Total		**$ 70.6**

On February 15, 2012, the Board of Directors declared a dividend of $0.08 per common share to shareholders of record on March 23, 2012.

ii. Common share purchase warrants

The Company has issued both Canadian dollar denominated and U.S. dollar denominated common share purchase warrants.

(a) Canadian dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the year ended December 31, 2011 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price (CDN$/warrant)
Balance at January 1, 2011	**24,392**	**$ 30.17**
Issued	**-**	**-**
Exercised	**-**	**-**
Expired	**(4,697)**	**22.49**
Balance at December 31, 2011	**19,695**	**$ 32.00**

These Canadian dollar denominated common share purchase warrants are classified as a liability (see Note 11).

The following table summarizes information regarding the common share purchase warrants outstanding and exercisable at December 31, 2011:

Canadian dollar denominated common share purchase warrants

Exercise price	Number outstanding (000's) [(a)]	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)
$32.00	19,695	32.00	1.68
Outstanding at December 31, 2011	19,695	$ 32.00	1.68

(a) Represents share equivalents of warrants.

(b) U.S. dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the year ended December 31, 2011 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price ($/warrant)
Balance at January 1, 2011	**25,870**	**$ 21.26**
Issued	**-**	**-**
Exercised	**(111)**	**12.89**
Balance at December 31, 2011	**25,759**	**$ 21.30**

The following table summarizes information regarding the common share purchase warrants outstanding and exercisable at December 31, 2011:

US $ denominated common share purchase warrants

Exercise Price	Number outstanding (000's) [(a)]	Weighted average exercise price (US$)	Weighted average remaining contractual life (years)
$21.30	25,759	$ 21.30	2.72
Outstanding at December 31, 2011	25,759	$ 21.30	2.72

(a) Represents share equivalents of warrants.

16. SHARE-BASED PAYMENTS

Share-based compensation recorded during the years ended December 31, 2011 and 2010 was as follows:

	Year ended December 31, **2011**	2010
Stock option plan expense (i)	**10.8**	10.8
Employer portion of stock purchase plan (v)	**2.1**	1.4
Restricted share plan expense, including restricted performance share plan ((ii) and (iii))	**22.7**	19.7
Deferred share units expense (iv)	**0.9**	0.6
Total share-based compensation	**$ 36.5**	$ 32.5

i. Stock option plan

The Company has a stock option plan for officers and employees, enabling them to purchase common shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding common shares. Each option granted under the plan is for a maximum term of seven years. One-third of the options are exercisable each year commencing one year after the date of grant. The exercise price is determined by the Company's Board of Directors at the time the option is granted, subject to regulatory approval and may not be less than the closing market price of the common shares on the last trading day prior to the grant of the option. The stock options outstanding at December 31, 2011 expire at various dates to 2018. As at December 31, 2011, 9,207,566 common shares, in addition to those outstanding at year end, were available for granting of options.

The summary of the status of the stock option plan and changes during the years ended December 31, 2011 and 2010 are as follows:

	Canadian $ denominated options			
	2011		2010	
	Number of options (000's)	Weighted average exercise price (CDN$)	Number of options (000's)	Weighted average exercise price (CDN$)
Balance at January 1	**15,246**	**$ 14.86**	7,192	$ 18.80
On acquisition of Red Back	**-**	**-**	8,726	8.55
On acquisition of Underworld	**-**	**-**	420	5.69
Granted	**2,006**	**16.09**	1,575	19.14
Exercised	**(2,607)**	**8.76**	(2,446)	4.54
Forfeited	**(690)**	**20.05**	(221)	20.78
Expired	**(227)**	**20.08**	-	-
Outstanding at end of period	**13,728**	**$ 15.85**	15,246	$ 14.86

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2011:

	Options outstanding			Options exercisable		
Exercise price range in Canadian dollars:	Number of options (000's)	Weighted average exercise price (CDN$)	Average remaining contractual life (years)	Number of options (000's)	Weighted average exercise price (CDN$)	Average remaining contractual life (years)
$3.55 $ 4.22	**1,292**	**$ 3.81**	**2.05**	**1,292**	**$ 3.81**	**2.05**
4.23 9.53	**1,721**	**7.32**	**2.85**	**1,721**	**7.32**	**2.85**
9.54 14.31	**907**	**13.55**	**1.77**	**815**	**13.47**	**1.25**
14.32 21.48	**6,505**	**16.78**	**3.84**	**3,748**	**16.43**	**2.89**
21.49 26.42	**3,303**	**23.81**	**1.05**	**3,005**	**23.82**	**0.95**
	13,728	**$ 15.85**	**2.74**	**10,581**	**$ 15.28**	**2.10**

The following weighted average assumptions were used in computing the fair value of stock options granted during the years ended December 31, 2011 and 2010:

	2011	2010
Black-Scholes weighted-average assumptions		
Weighted average share price (CDN$)	**$ 16.09**	$ 19.14
Expected dividend yield	**0.63%**	0.52%
Expected volatility	**38.8%**	49.9%
Risk-free interest rate	**2.6%**	1.7%
Estimated forfeiture rate	**3.0%**	3.0%
Expected option life in years	**4.5**	3.5
Weighted average fair value per stock option granted (CDN$)	**$ 5.45**	$ 7.01

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

ii. Restricted share unit plan

The Company has a RSU plan whereby restricted share units may be granted to employees, officers, directors and consultants of the Company. A restricted share unit is exercisable into one common share entitling the holder to acquire the common share for no additional consideration. Restricted share units vest over a three year period. The current maximum number of common shares issuable under the RSU plan is 20.0 million.

A summary of the status of the restricted share unit plan and changes during the years ended December 31, 2011, 2010, are as follows:

Restricted share unit plan

	2011		2010	
	Number of units (000's)	Weighted average exercise price (CDN$/unit)	Number of units (000's)	Weighted average exercise price (CDN$/unit)
Balance, January 1	**2,132**	**$ 20.44**	1,856	$ 21.42
Granted	**1,765**	**15.88**	1,335	18.98
Reinvested	**19**	**17.82**	12	20.42
Redeemed	**(1,037)**	**20.83**	(878)	20.29
Forfeited	**(325)**	**17.97**	(193)	20.45
Outstanding at end of period	**2,554**	**$ 17.43**	2,132	$ 20.44

iii. Restricted performance share unit plan

In 2009, the Company implemented a RPSU plan. The RPSUs are subject to certain vesting requirements and vest at the end of three years. The vesting requirements are based on certain criteria established by the Company.

A summary of the status of the restricted performance share unit plan and changes during the years ended December 31, 2011 and 2010 are as follows:

Restricted performance share unit plan

	2011		2010	
	Number of units (000's)	Weighted average exercise price (CDN$/unit)	Number of units (000's)	Weighted average exercise price (CDN$/unit)
Balance, January 1	**223**	**$ 19.94**	42	$ 23.74
Granted	**394**	**16.07**	214	19.23
Reinvested	**4**	**17.51**	2	19.97
Redeemed	**(38)**	**18.31**	-	-
Forfeited	**(35)**	**17.87**	(35)	20.14
Outstanding at end of period	**548**	**$ 17.38**	223	$ 19.94

iv. Deferred share unit plan

The Company has a DSU plan for its outside directors which provides that each outside director receives, on the date in each quarter which is two business days following the publication by the Company of its earnings results for the previous quarter, or year in the case of the first quarter, that number of DSUs having a value equal to 50% of the compensation of the outside director for the current quarter. Each outside director can

elect to receive a greater percentage of their compensation in DSUs, and an outside director who has exceeded a minimum DSU/common share ownership requirement may elect to receive cash for all or any portion of the compensation otherwise payable in DSUs. The number of DSUs granted to an outside director is based on the closing price of the Company's common shares on the Toronto Stock Exchange on the business day immediately preceding the date of grant. At such time as an outside director ceases to be a director, the Company will make a cash payment to the outside director, equal to the market value of a Kinross common share on the date of departure, multiplied by the number of DSUs held on that date.

	Year ended December 31,	
	2011	2010
DSUs granted (000's)	**61**	37
Weighted average grant-date fair value per unit (CDN$)	**$ 14.02**	$ 18.44

There were 315,002 DSUs outstanding, for which the Company had recognized a liability of $3.6 million, as at December 31, 2011 ($4.8 million at December 31, 2010).

v. Employee share purchase plan

The Company has an Employee Share Purchase Plan whereby North American employees of the Company have the opportunity to contribute up to a maximum of 10% of their annual base salary to purchase common shares. Since 2004, the Company contributes 50% of the employees' contributions. The Company issues common shares equal to the employees' contributions and the Company's contribution from treasury each quarter. The common shares are purchased based on the weighted average price on the last twenty trading sessions prior to the end of the quarter. The number of shares issued by the Company and the average of the price per share for the years ending December 31 are as follows:

	Year ended December 31,	
	2011	2010
Common shares issued (000's)	**421**	304
Average price of shares issued ($/unit)	**$ 14.71**	$ 18.01

17. EARNINGS PER SHARE

Earnings per share ("EPS") has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. Stock options and common share purchase warrants are reflected in diluted earnings per share by application of the treasury method. The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

(Number of common shares in thousands)	Year ended December 31, **2011**	2010
Basic weighted average shares outstanding:	**1,135,999**	824,545
Weighted average shares dilution adjustments:		
Stock options [(a)]	**-**	2,212
Restricted shares	**-**	2,151
Performance shares	**-**	223
Common share purchase warrants [(a)]	**-**	78
Diluted weighted average shares outstanding	**1,135,999**	829,209
Weighted average shares dilution adjustments - exclusions: [(b)]		
Stock options	**10,293**	5,876
Restricted shares	**2,602**	-
Performance shares	**503**	-
Common share purchase warrants	**48,680**	50,152
Convertible notes	**16,405**	25,960

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the years ended December 31, 2011 and 2010 the average share price used was $15.45 and $17.72, respectively.

(b) These adjustments were excluded, as they were anti-dilutive.

18. INCOME TAX EXPENSE

The following table shows the components of the current and deferred tax expense:

	Year ended December 31, **2011**	2010
Current tax expense		
Current period	**$ 399.3**	$ 351.8
Adjustment for prior period	**3.1**	20.4
Deferred tax expense		
Origination and reversal of temporary differences	**126.5**	26.4
Impact of changes in tax rate	**(8.6)**	0.1
Change in unrecognized deductible temporary differences	**-**	(22.4)
Recognition of previously unrecognized tax losses	**(9.5)**	(43.5)
	$ 510.8	$ 332.8

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate is as follows:

	2011	2010
Combined statutory income tax rate	**28.3%**	31.0%
Increase (decrease) resulting from:		
Mining taxes	**(0.8%)**	0.8%
Resource allowance and depletion	**0.5%**	(0.5%)
Difference in foreign tax rates and FX (gain) loss on translation of tax basis and FX on deferred income taxes within income tax expense	**(14.6%)**	0.2%
Benefit of losses not recognized	**(1.7%)**	2.1%
Recognition of tax attributes not previously benefited	**1.6%**	(5.4%)
Under (over) provided in prior periods	**0.7%**	1.3%
Impairment of property, plant and equipment	**0.0%**	5.2%
Income not subject to tax	**3.8%**	(13.0%)
Effect of non-deductible goodwill impairment	**(48.9%)**	0.0%
Taxes on repatriation of foreign earnings	**(3.2%)**	2.2%
Other	**0.3%**	3.7%
Effective tax rate	**(34.0%)**	27.6%

i. Deferred income tax

The following table summarizes the components of deferred income tax:

	December 31, **2011**	December 31, 2010	January 1, 2010
Deferred tax assets			
Accrued expenses and other	**$ 105.9**	$ 106.4	$ 62.8
Reclamation and remediation obligations	**133.4**	121.3	53.7
Inventory capitalization	**5.3**	8.3	4.5
Non-capital loss carryforwards	**0.7**	24.4	28.0
	245.3	260.4	149.0
Deferred tax liabilities			
Accrued expenses and other	**14.5**	54.7	41.8
Property, plant and equipment	**1,061.6**	984.0	340.1
Inventory capitalization	**26.4**	20.6	1.4
Deferred tax liabilities - net	**$ 857.2**	$ 798.9	$ 234.3

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	2011	2010
Balance at the beginning of the year	**$ 798.9**	$ 234.3
Recognized in profit/loss	**108.4**	(39.4)
Recognized in OCI	**(34.3)**	4.3
Acquired in business combinations		598.5
Other	**(15.8)**	1.2
Balance at the end of the year	**$ 857.2**	$ 798.9

ii. Unrecognized deferred tax assets and liabilities

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized, as at December 31, 2011 is $9.9 billion (December 31, 2010 - $12.8 billion).

Deferred tax assets have not been recognized in respect of the following items:

	December 31, **2011**	December 31, 2010
Deductible temporary differences	**$ 102.0**	$ 115.9
Tax losses	**118.1**	129.3

The tax losses not recognized expire as per the amount and years noted below. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

iii. Non-capital losses (not recognized)

The following table summarizes the Company's non-capital losses that can be applied against future taxable profit:

Country	Type	Amount	Expiry Date
Canada	Net operating losses	$ 141.5	2012 - 2031
United States [(a)]	Net operating losses	28.6	2012 - 2031
Chile	Net operating losses	155.3	No expiry
Mexico	Net operating losses	15.9	2020 - 2022
Barbados	Net operating losses	752.2	2012 - 2020
Other	Net operating losses	72.5	2021

(a) Utilization of the United States loss carry forwards will be limited in any year as a result of the previous changes in ownership.

19. SEGMENTED INFORMATION

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold properties. The Company's primary mining operations are in the United States, the Russian Federation, Brazil, Ecuador, Chile, Ghana and Mauritania.

The reportable segments are those operations whose operating results are reviewed by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose revenues, earnings or losses or assets exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments.

In order to determine reportable operating segments, management reviewed various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment consists of an individual mining property managed by a single general manager and management team. Certain properties that are in development or have not reached commercial production levels are considered reportable segments because they have reached quantitative thresholds. These have been identified as non-operating segments. There are no material intersegment transactions. Finance income, finance expense, other income (expense), and equity in losses of associates are managed on a consolidated basis and are not allocated to operating segments.

Non-mining and other operations are reported in Corporate and other.

i. Operating segments

The following tables set forth operating results by reportable segment for the following periods:

For the year ended December 31, 2011:	Operating segments										Non-operating segments [a]		
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol [d]	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other [c][d]	Total
Revenue													
Metal sales	**$ 454.0**	**295.0**	**709.7**	**255.4**	**364.7**	**100.8**	**761.1**	**279.4**	**308.9**	**414.3**	**-**	**-**	**3,943.3**
Cost of sales													
Production cost of sales	**199.1**	**129.2**	**323.9**	**145.5**	**105.5**	**50.3**	**247.8**	**74.9**	**138.2**	**182.0**	**-**	**-**	**1,596.4**
Depreciation, depletion and amortization	**57.6**	**28.7**	**60.7**	**28.5**	**19.2**	**13.3**	**123.5**	**80.9**	**63.5**	**95.5**	**-**	**6.0**	**577.4**
Impairment charges	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,490.1**	**447.5**	**-**	**-**	**2,937.6**
Total cost of sales	**256.7**	**157.9**	**384.6**	**174.0**	**124.7**	**63.6**	**371.3**	**155.8**	**2,691.8**	**725.0**	**-**	**6.0**	**5,111.4**
Gross profit (loss)	**$ 197.3**	**137.1**	**325.1**	**81.4**	**240.0**	**37.2**	**389.8**	**123.6**	**(2,382.9)**	**(310.7)**	**-**	**(6.0)**	**(1,168.1)**
Other operating costs (income)	**1.3**	**0.9**	**8.2**	**4.3**	**0.5**	**2.3**	**0.8**	**(0.4)**	**12.2**	**1.2**	**-**	**33.1**	**64.4**
Exploration and business development	**6.9**	**0.6**	**0.1**	**9.2**	**0.3**	**1.9**	**8.9**	**8.9**	**24.8**	**4.7**	**3.9**	**66.2**	**136.4**
General and administrative	**-**	**-**	**0.7**	**-**	**-**	**-**	**0.3**	**-**	**0.1**	**-**	**0.2**	**172.3**	**173.6**
Operating earnings (loss)	**$ 189.1**	**135.6**	**316.1**	**67.9**	**239.2**	**33.0**	**379.8**	**115.1**	**(2,420.0)**	**(316.6)**	**(4.1)**	**(277.6)**	**(1,542.5)**
Other income - net													**101.8**
Equity in losses of associates													**(2.3)**
Finance income													**6.9**
Finance expense													**(66.1)**
Earnings (loss) before taxes													**$ (1,502.2)**

For the year ended December 31, 2010:	Operating segments										Non-operating segments [a]			
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol [d]	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Cerro Casale [b]	Corporate and other [c][d]	Total
Revenue														
Metal sales	$ 432.9	227.5	597.8	250.5	187.5	94.7	781.8	242.6	78.0	116.8	-	-	-	$ 3,010.1
Cost of sales														
Production cost of sales	189.6	115.4	261.0	132.0	115.9	37.5	236.2	64.7	45.1	51.6	-	-	-	1,249.0
Depreciation, depletion and amortization	61.9	20.0	63.1	47.6	15.3	18.1	154.9	93.8	24.0	48.0	0.6	-	4.2	551.5
Total cost of sales	251.5	135.4	324.1	179.6	131.2	55.6	391.1	158.5	69.1	99.6	0.6	-	4.2	1,800.5
Gross profit	$ 181.4	92.1	273.7	70.9	56.3	39.1	390.7	84.1	8.9	17.2	(0.6)	-	(4.2)	1,209.6
Other operating costs (income)	-	(0.3)	2.6	0.2	1.6	0.3	0.9	(2.6)	0.2	0.2	(0.2)	-	13.2	16.1
Exploration and business development	3.0	0.7	-	3.6	-	0.1	2.8	7.1	23.2	0.9	292.3	-	66.9	400.6
General and administrative	-	-	-	-	-	-	0.2	-	-	-	0.7	-	143.1	144.0
Operating earnings (loss)	$ 178.4	91.7	271.1	67.1	54.7	38.7	386.8	79.6	(14.5)	16.1	(293.4)	-	(227.4)	648.9
Other income - net														614.3
Equity in losses of associates														(1.9)
Finance income														5.8
Finance expense														(62.2)
Earnings before taxes														$ 1,204.9

(a) Non-operating segments include development properties.

(b) As of March 31, 2010, Cerro Casale was reclassified to investments in associates.

(c) Includes corporate, shutdown and other non-operating assets (including Lobo-Marte, and White Gold).

(d) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

	Operating segments										Non-operating segments [a]		
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol [e]	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other [c][e]	Total
Property, plant and equipment at:													
December 31, 2011	**$ 394.8**	**203.4**	**1,586.0**	**162.2**	**490.8**	**94.9**	**1,076.9**	**171.2**	**2,370.6**	**1,210.3**	**638.2**	**560.1**	**8,959.4**
Total assets at:													
December 31, 2011	**$ 547.1**	**311.8**	**1,884.8**	**475.4**	**870.6**	**163.2**	**1,937.0**	**207.5**	**4,930.6**	**1,922.6**	**647.4**	**2,610.8**	**16,508.8**
Capital expenditures for year ended													
December 31, 2011	**$ 103.5**	**48.2**	**339.4**	**64.6**	**149.3**	**22.3**	**195.9**	**13.4**	**469.2**	**94.3**	**90.7**	**60.7**	**1,651.5**

	Operating segments										Non-operating segments [a]			
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol [e]	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Cerro Casale [b]	Corporate and other [d][e]	Total
Property, plant and equipment at:														
December 31, 2010	$ 328.1	177.7	1,293.7	178.9	361.4	79.6	999.9	229.6	1,970.8	1,226.1	546.7	-	492.1	7,884.6
January 1, 2010	295.2	160.9	1,130.1	188.6	313.9	70.9	695.2	306.2	-	-	799.2	544.2	332.3	4,836.7
Total assets at:														
December 31, 2010	$ 487.6	285.8	1,608.7	483.3	627.0	150.0	1,729.3	269.5	6,717.7	2,275.1	558.6	-	2,602.6	17,795.2
January 1, 2010	441.8	262.3	1,359.1	463.2	560.1	139.0	1,399.5	343.0	-	-	804.6	914.6	1,189.1	7,876.3
Capital expenditures for year ended														
December 31, 2010	$ 81.9	30.7	169.5	28.0	73.1	25.5	67.3	9.2	54.2	13.6	38.8	4.0	32.5	628.3

(a) Non-operating segments include development properties.

(b) As of March 31, 2010, Cerro Casale was reclassified to investments in associates.

(c) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including Lobo-Marte, and White Gold).

(d) Includes corporate, shutdown and other non-operating assets (including Lobo-Marte, and White Gold).

(e) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

ii. Geographic segments

Metal sales and Property, plant and equipment by geographical region:

	Metal sales		Property, plant and equipment		
	Year ended December 31,		As at December 31,		As at January 1,
	2011	2010	**2011**	2010	2010
Geographic information [a]					
United States	**$ 1,028.4**	$ 903.0	**$ 771.8**	$ 738.5	$ 762.4
Russian Federation	**761.1**	781.8	**1,076.9**	999.9	695.2
Brazil	**810.5**	692.5	**1,681.1**	1,373.4	1,201.0
Chile	**620.1**	438.0	**1,022.6**	869.4	1,342.8
Mauritania	**308.9**	78.0	**2,378.0**	1,973.5	-
Ghana	**414.3**	116.8	**1,230.2**	1,231.6	-
Ecuador		-	**638.2**	546.7	799.3
Canada		-	**160.6**	151.6	35.7
Other		-	**-**	-	0.3
Total	**$ 3,943.3**	$ 3,010.1	**$ 8,959.4**	$ 7,884.6	$ 4,836.7

(a) Geographic location is determined based on location of the mining assets.

iii. Significant customers

The following table represents sales to individual customers exceeding 10% of annual metal sales for the following periods:

For the year ended December 31, 2011:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Total
Customer											
1	**$ 134.4**	**87.3**	**212.5**	**95.0**	**12.4**	**34.4**	**482.7**	**82.7**	**131.9**	**148.0**	**$ 1,421.3**
2	**-**	**-**	**-**	**-**	**-**	**-**	**521.9**	**-**	**-**	**-**	**$ 521.9**
% of total metal sales											**1,943.2**
											49.3%

For the year ended December 31, 2010:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Total
Customer											
1	$ 145.0	76.2	239.3	45.7	-	-	547.9	81.3	17.3	-	$ 1,152.7
2	3.7	2.0	160.5	185.1	-	-	-	2.1	-	-	353.4
3	-	-	-	-	-	-	353.1	-	-	-	$ 353.1
% of total metal sales											1,859.2
											61.8%

The Company is not economically dependent on a limited number of customers for the sale of its product because gold can be sold through numerous commodity market traders worldwide.

20. COMMITMENTS AND CONTINGENCIES

i. Commitments

Operating leases

The Company has a number of operating lease agreements involving office space and equipment. The operating leases for equipment provide that the Company may, after the initial lease term, renew the lease for successive yearly periods or may purchase the equipment at its fair market value. One of the operating leases for office facilities contains escalation clauses for increases in operating costs and property taxes. A majority of these leases are cancelable and are renewable on a yearly basis. Future minimum lease payments required to meet obligations that have initial or remaining non-cancelable lease terms in excess of one year are $5.1 million, $4.9 million, $4.7 million, $4.5 million and $4.5 million for each year from 2012 to 2016, respectively, and $15.3 million thereafter.

ii. Contingencies

General

Estimated losses from contingencies are accrued by a charge to earnings when information available prior to the issuance of the financial statements indicates that it is likely that a future event will confirm that an asset has been impaired or a liability incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Cerro Casale contingency

The Company was obligated to pay $40 million to Barrick when a production decision is made relating to the Cerro Casale project. During the first quarter of 2010, this contingent liability was reduced to $20 million in accordance with the agreement with Barrick under which the Company sold one-half of its 50% interest in the Cerro Casale project.

Other

The Company is involved in legal proceedings from time to time, arising in the ordinary course of its business. Typically, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

The Company has become aware that certain law firms in the United States have announced that they are investigating Kinross in connection with potential violation of United States Securities laws. No proceedings have been commenced to date, however the Company may become subject to proceedings in the future.

Income taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays annual income taxes under the various regimes in countries in which it operates. These tax regimes are determined under general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company will undergo a review of its historic tax returns and in connection with such reviews; disputes can arise with the taxing authorities over the Company's interpretation of the country's income tax rules.

21. RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2011 and 2010 other than compensation of key management personnel.

i. Key management personnel

Compensation of key management personnel of the Company:

	Year ended December 31, **2011**	December 31, 2010
Cash compensation - Salaries, short term incentives, and other benefits	**$ 15.9**	$ 11.7
Long term incentives, including share-based payments	**12.3**	13.6
Termination and post retirement benefits	**6.7**	6.7
Total compensation paid to key management personnel	**$ 34.9**	$ 32.0

Key management personnel is defined as the Senior Leadership Team and members of the Board of Directors.

22. TRANSITION TO IFRS

The Company's financial statements for the year ending December 31, 2011 are the first annual consolidated financial statements to comply with IFRS. The adoption of IFRS has not materially changed the Company's overall cash flows or operations; however, it has resulted in certain differences in recognition, measurement and disclosure as compared to CDN GAAP.

In preparing these financial statements and the disclosures included in these financial statements, all comparative amounts have been restated to comply with IFRS, except where the Company has applied the optional exceptions and mandatory exemptions under IFRS 1. The Company has reconciled the following financial statements as prepared under CDN GAAP to those prepared under IFRS:

- Consolidated balance sheets as at January 1, 2010 and December 31, 2010.
- Consolidated shareholders' equity as at January 1, 2010 and December 31, 2010.

- Consolidated statements of operations for the year ended December 31, 2010.
- Consolidated statements of comprehensive income for the year ended December 31, 2010.

The adoption of IFRS did not have a material impact on the Company's consolidated statements of cash flows under IFRS as compared to CDN GAAP. Certain cash flows, however, were reclassified.

For the year ended December 31, 2010, net operating cash flows under IFRS increased by $33.8 million. Cash flows provided from investing activities decreased by $18.1 million, and cash flows used in financing activities increased by $15.7 million. The decrease in cash provided from investing activities resulted from the capitalization of $76.7 million of exploration and evaluation costs under IFRS, partially offset by $12.1 million in borrowing costs and $41.5 million in transaction costs related to the Red Back acquisition that were capitalized under CDN GAAP but expensed under IFRS, and $5.0 million of interest received during the period which was included in operating cash flows under CDN GAAP and investing cash flows under IFRS. The increase in cash flows used in financing activities resulted from the reclassification of $15.7 million of interest paid during the period which was included in operating cash flows under CDN GAAP.

i. Mandatory exceptions

Mandatory exceptions applicable to the Company are as follows:

(a) Hedge accounting

Hedge accounting can only be applied to those transactions that satisfy conditions under IAS 39 at the transition date. Transactions entered into before the transition date are not permitted to be retrospectively designated as hedges if they did not meet the conditions for hedge accounting in IAS 39. All hedging relationships to which the Company applied hedge accounting under CDN GAAP also qualify for hedge accounting under IFRS at the transition date. As a result, hedge accounting has been applied under IFRS to the same relationships as it was applied to under CDN GAAP.

(b) Estimates

Estimates made at the transition date under CDN GAAP must be consistent with estimates made under IFRS unless they require adjustment to reflect a revised accounting policy. At the transition date, hindsight has not been used to create or revise estimates.

ii. Optional exemptions

The significant optional exemptions elected and applied by the Company are as follows:

(a) Business combinations

Business combinations that occurred prior to the transition date have not been restated. Business combinations that occurred during the year ended December 31, 2010 have been restated to comply with IFRS 3 "Business Combinations". The impact of the restatement of business combinations is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

(b) Provision for reclamation and remediation

The provision for reclamation and remediation (decommissioning liability) as at the transition date has been measured in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The Company estimated the amount that would have been included in the cost of the related asset when the liability first arose by discounting the liabilities to that date using its best estimate of the historical risk-adjusted discount rates that would have applied for the liabilities over periods prior to the transition date. Accumulated depreciation on the cost at the transition date was determined using the UOP depreciation method based on the current estimate of the life of mine and the recoverable ounces to be mined from estimated proven and probable reserves. The impact of the restatement of the provision for reclamation and remediation is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

(c) Borrowing costs

IAS 23 "Borrowing Costs" has been applied prospectively from the transition date. As a result, the carrying value at the transition date of previously capitalized borrowing costs, as determined under CDN GAAP, has been reversed with an adjustment to opening accumulated deficit and property, plant and equipment. The impact of the restatement of borrowing costs is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

iii. Reconciliations between CDN GAAP and IFRS

The following reconciliations summarize the impact on the Company's CDN GAAP financial statements as a result of adopting IFRS. Explanations of the impact of the adjustments are provided in the explanatory notes following the reconciliations.

Reconciliation of Consolidated Balance Sheet at January 1, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re-classifications	IFRS	IFRS Accounts
				Note (a)		
Assets						**Assets**
Current assets						Current assets
Cash, cash equivalents and short-term investments		$ 632.4	$ -	$ (35.0)	**$ 597.4**	Cash and cash equivalents
Restricted Cash		24.3	-	-	**24.3**	Restricted cash
			-	35.0	**35.0**	Short term investments
Accounts receivable and other assets		135.5	-	-	**135.5**	Accounts receivable and other assets
Inventories		554.4	-	-	**554.4**	Inventories
Unrealized fair value of derivative assets		44.3	-	-	**44.3**	Unrealized fair value of derivative assets
		1,390.9	-	-	**1,390.9**	
						Non-current assets
Property, plant and equipment	(e)(f)(g)(h)(k)	4,989.9	(153.2)	-	**4,836.7**	Property, plant and equipment
Goodwill		1,179.9	-	-	**1,179.9**	Goodwill
Long-term investments	(m)	292.2	16.3	(150.7)	**157.8**	Long-term investments
		-	-	150.7	**150.7**	Investments in associates and Working Interest
Unrealized fair value of derivative assets		1.9	-	-	**1.9**	Unrealized fair value of derivative assets
Deferred charges and other long-term assets		158.4	-	-	**158.4**	Deferred charges and other long-term assets
		$ 8,013.2	$ (136.9)	$ -	**$ 7,876.3**	
Liabilities						**Liabilities**
Current liabilities						Current liabilities
Accounts payable and accrued liabilities	(j)	$ 312.9	$ (0.9)	$ (24.4)	**$ 287.6**	Accounts payable and accrued liabilities
		-	-	24.4	**24.4**	Current tax payable
Current portion of long-term debt		177.0	-	-	**177.0**	Current portion of long-term debt
Current portion of reclamation and remediation obligations		17.1	-	-	**17.1**	Current portion of provisions
Current portion of unrealized fair value of derivative liabilities	(d)	131.0	83.6	-	**214.6**	Current portion of unrealized fair value of derivative liabilities
		638.0	82.7	-	**720.7**	
						Non-current liabilities
Long-term debt	(c)	515.2	(39.4)	-	**475.8**	Long-term debt
	(e)(n)	-	169.0	279.5	**448.5**	Provisions
	(c)	-	77.2	212.8	**290.0**	Unrealized fair value of derivative liabilities
Other long-term liabilities		543.0	-	(492.3)	**50.7**	Other long-term liabilities
Future income and mining taxes	(e)(f)(g)(h)(i)(k)(n)	624.6	(390.3)	-	**234.3**	Deferred tax liabilities
		2,320.8	(100.8)	-	**2,220.0**	
Non-controlling interest		132.9	-	(132.9)	**-**	
						Equity
Common shareholders' equity						Common shareholders' equity
Common share capital and common share purchase warrants	(d)	6,448.1	(68.8)	-	**6,379.3**	Common share capital and common share purchase warrants
Contributed surplus	(c)(j)	169.6	(62.2)	-	**107.4**	Contributed surplus
Accumulated deficit		(838.1)	97.5	-	**(740.6)**	Accumulated deficit
Accumulated other comprehensive loss	(n)	(220.1)	1.7	-	**(218.4)**	Accumulated other comprehensive loss
		5,559.5	(31.8)	-	**5,527.7**	
	(e)(f)(g)		(4.3)	132.9	**128.6**	Non-controlling interest
		5,559.5	(36.1)	132.9	**5,656.3**	
		$ 8,013.2	$ (136.9)	$ -	**$ 7,876.3**	

Reconciliation of Consolidated Balance Sheet at December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	Opening balance sheet adjustments	IFRS adjustments	Re-classifications	IFRS	IFRS Accounts
					Note (a)		
Assets							**Assets**
Current assets							Current assets
Cash, cash equivalents and short-term investments		$ 1,466.6	$ -	$ -	$ -	**$ 1,466.6**	Cash and cash equivalents
Restricted cash		2.1	-	-	-	**2.1**	Restricted cash
Accounts receivable and other assets		329.4	-	-	-	**329.4**	Accounts receivable and other assets
Inventories	(b)	737.0	-	(5.4)	-	**731.6**	Inventories
Unrealized fair value of derivative assets		133.4	-	-	-	**133.4**	Unrealized fair value of derivative assets
		2,668.5	-	(5.4)	-	**2,663.1**	
							Non-current assets
Property, plant and equipment	(b)(e)(f)(g)(h)(k)	6,911.5	(153.2)	1,126.3	-	**7,884.6**	Property, plant and equipment
Goodwill	(b)	5,980.0	-	377.9	-	**6,357.9**	Goodwill
Long-term investments	(m)	629.9	16.3	(16.3)	(426.1)	**203.8**	Long-term investments
	(l)		-	41.4	426.1	**467.5**	Investments in associates and Working Interest
Unrealized fair value of derivative assets		2.6	-	-	-	**2.6**	Unrealized fair value of derivative assets
Deferred charges and other long-term assets		204.6	-	-	-	**204.6**	Deferred charges and other long-term assets
	(i)		-	11.1	-	**11.1**	Deferred tax assets
		$ 16,397.1	$ (136.9)	$ 1,535.0	$ -	**$ 17,795.2**	
Liabilities							**Liabilities**
Current liabilities							Current liabilities
Accounts payable and accrued liabilities	(b)(i)(j)	$ 496.6	$ (0.9)	$ (10.5)	$ (76.2)	**$ 409.0**	Accounts payable and accrued liabilities
	(i)		-	11.4	76.2	**87.6**	Current tax payable
Current portion of long-term debt		48.4	-	-	-	**48.4**	Current portion of long-term debt
Current portion of reclamation and remediation obligations	(e)	23.1	-	0.3	-	**23.4**	Current portion of provisions
Current portion of unrealized fair value of derivative liabilities	(d)	359.3	83.6	(35.2)	-	**407.7**	Current portion of unrealized fair value of derivative liabilities
		927.4	82.7	(34.0)	-	**976.1**	
							Non-current liabilities
Long-term debt	(c)	454.6	(39.4)	10.8	-	**426.0**	Long-term debt
	(b)(e)(n)		169.0	37.0	371.8	**577.8**	Provisions
	(c)		77.2	(38.3)	58.1	**97.0**	Unrealized fair value of derivative liabilities
Other long-term liabilities	(b)	532.4	-	12.5	(429.9)	**115.0**	Other long-term liabilities
Future income and mining taxes	(b)(e)(f)(g)(h)(i)(k)(l)(n)	883.8	(390.3)	316.5	-	**810.0**	Deferred tax liabilities
		2,798.2	(100.8)	304.5	-	**3,001.9**	
Non-controlling interest		198.4	-	-	(198.4)	**-**	
							Equity
Common shareholders' equity							Common shareholders' equity
Common share capital and common share purchase warrants	(b)(j)	13,468.6	(68.8)	1,176.6	-	**14,576.4**	Common share capital and common share purchase warrants
Contributed surplus	(b)(j)	231.7	(62.2)	16.0	-	**185.5**	Contributed surplus
Accumulated deficit		(137.1)	97.5	(11.9)	-	**(51.5)**	Accumulated deficit
Accumulated other comprehensive loss	(m)(n)	(162.7)	1.7	(18.3)	-	**(179.3)**	Accumulated other comprehensive loss
		13,400.5	(31.8)	1,162.4	-	**14,531.1**	
	(b)(e)(f)(g)		(4.3)	68.1	198.4	**262.2**	Non-controlling interest
		13,400.5	(36.1)	1,230.5	198.4	**14,793.3**	
		$ 16,397.1	$ (136.9)	$ 1,535.0	$ -	**$ 17,795.2**	

Reconciliation of Consolidated Shareholders' Equity

	Reference	As at December 31, 2010	As at January 1, 2010
Common shareholders' equity under Canadian GAAP		$ 13,400.5	$ 5,559.5
Differences increasing (decreasing) reported shareholder's equity:			
Business combinations	(b)	1,347.1	-
Convertible notes	(c)	27.5	(37.8)
Warrants	(d)	35.2	(83.6)
Provision for reclamation and remediation	(e)	2.0	(59.0)
Borrowing costs	(f)	(4.0)	(38.8)
Exploration and evaluation	(g)	62.4	63.1
Deferred tax on asset acquisitions	(h)	(39.9)	(26.7)
Income taxes	(i)	12.4	131.4
Share-based payments	(j)	(0.9)	0.9
Impairment of Property, plant and equipment	(k)	(297.5)	6.8
Interest in joint ventures	(l)	34.4	-
Investment in associates	(m)	(16.3)	16.3
Other	(n)	-	(4.4)
IFRS adjustments		1,162.4	(31.8)
Impact of January 1, 2010 IFRS adjustments		(31.8)	-
Equity attributed to common shareholders		14,531.1	5,527.7
Non-controlling interests	(b)(e)(f)(g)	262.2	128.6
Equity under IFRS		$ 14,793.3	$ 5,656.3

Reconciliation of Consolidated Statement of Operations for the year ended December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re-classifications	IFRS	IFRS Accounts
				Note (a)		
Revenue						**Revenue**
Metal sales		$ 3,010.1	$ -	$ -	$ 3,010.1	Metal sales
Operating costs and expenses						Cost of sales
Cost of sales (excludes accretion and reclamation, depreciation, depletion and amortization)	(b)(i)	1,255.4	(6.4)		1,249.0	Production cost of sales
Accretion and reclamation expense		29.0	-	(29.0)	-	
Depreciation, depletion and amortization	(b)(e)(f)(g)(k)	517.5	34.0	-	551.5	Depreciation, depletion and amortization
			27.6	(29.0)	1,800.5	**Total Cost of sales**
		1,208.2	(27.6)	29.0	1,209.6	**Gross Profit**
Other operating costs	(a)(e)(g)	53.8	(45.8)	8.1	16.1	Other operating costs
Exploration and business development	(g)(k)	142.7	257.9	-	400.6	Exploration and business development
General and administrative	(j)	144.5	(0.5)	-	144.0	General and administrative
Operating earnings		867.2	(239.2)	20.9	648.9	**Operating earnings**
Other income (expense) - net	(b)(c)(d)(i)(l)	293.0	295.2	26.1	614.3	Other income (expense) - net
	(m)		2.0	(3.9)	(1.9)	Equity in losses of associates
			-	5.8	5.8	Finance income
	(b)(c)(e)(f)		(15.6)	(46.6)	(62.2)	Finance expense
Earnings before taxes and other items		1,160.2	42.4	2.3	1,204.9	**Earnings before taxes**
Income and mining taxes expense - net	(b)(e)(f)(g)(h)(i)(k)(l)	(275.4)	(51.2)	(6.2)	(332.8)	Income tax expense - net
Equity in losses of associated companies		(3.9)	-	3.9	-	
Non-controlling interest		(109.3)	-	109.3	-	
Net earnings		$ 771.6	$ (8.8)	$ 109.3	$ 872.1	**Net earnings**
	(b)(e)(f)(g)	$	3.1	$ 109.3	$ 112.4	Attributed to non-controlling interest
				$	759.7	**Attributed to common shareholders**
Earnings per share						**Earnings per share**
Basic		$ 0.94		$	0.92	Basic
Diluted		$ 0.93		$	0.92	Diluted
Weighted average number of common shares outstanding (millions)						**Weighted average number of common shares outstanding** (millions)
Basic		824.5			824.5	Basic
Diluted		829.2			829.2	Diluted

Reconciliation of Consolidated Statement of Comprehensive Income for the year ended December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re-classifications	IFRS	IFRS Accounts
Net earnings		$ 771.6	$ (8.8)	$ 109.3 Note (a)	$ 872.1	Net earnings
Other comprehensive income (loss), net of tax:						**Other comprehensive income (loss), net of tax:**
Change in fair value of investments	(m)	331.4	(18.3)	-	313.1	Change in fair value of investments
Accumulated OCI related to investments sold		(70.8)	-	-	(70.8)	Accumulated OCI related to investments sold
Reclassification of accumulated OCI related to the investment in Red Back		(209.3)	-	-	(209.3)	Reclassification of accumulated OCI related to the investment in Red Back
Reclassification of accumulated OCI related to the investment in Underworld		(7.4)	-	-	(7.4)	Reclassification of accumulated OCI related to the investment in Underworld
Change in fair value of derivative financial instruments designated as cash flow hedges		(75.2)	-	-	(75.2)	Change in fair value of derivative financial instruments designated as cash flow hedges
Accumulated OCI related to derivatives settled		88.7	-	-	88.7	Accumulated OCI related to derivatives settled
		57.4	(18.3)	-	39.1	
Total comprehensive income		$ 829.0	$ (27.1)	$ 109.3	$ 911.2	**Total comprehensive income**
					$ 112.4	**Attributed to non-controlling interest**
					$ 798.8	**Attributed to common shareholders**

iv. Explanatory notes

(a) Reclassifications

The following items have been reclassified from their presentation under CDN GAAP to conform to the presentation under IFRS:

Consolidated balance sheets:

- Cash and cash equivalents is separately disclosed under IFRS; therefore, short-term investments which were grouped with cash and cash equivalents under CDN GAAP have been reclassified to short-term investments, where applicable;
- Current tax payable is now presented on the face of the consolidated balance sheets, reclassified from accounts payable and accrued liabilities;
- Investments accounted for using the equity method under CDN GAAP are defined as associates under IFRS and have been reclassified from long-term investments to investments in associates and Working Interest;
- Non-current portion of unrealized fair value of derivative liabilities have been reclassified from other long-term liabilities to a separate line item;

- Reclamation and remediation obligations, current and long-term portions, have been reclassified to provisions; and
- Non-controlling interest has been reclassified to equity.

Consolidated statements of operations:

- Accretion and interest expenses, other than those related to income taxes, included in other income (expense) under CDN GAAP are considered finance expense and have been reclassified as such;
- Reclamation expenses included in accretion and reclamation expense under CDN GAAP have been reclassified to production cost of sales, where applicable;
- Interest, penalties and foreign exchange on income taxes included in other income (expense) under CDN GAAP has been reclassified to income tax expense - net;
- Interest income included in other income (expense) under CDN GAAP has been reclassified to finance income; and
- Non-controlling interest has been eliminated as a line item to arrive at net income as IFRS requires net earnings to be attributed to common shareholders and non-controlling interests.

(b) Business combinations

On September 17, 2010, the Company completed the acquisition of all of the issued and outstanding shares of Red Back that it did not previously own. As disclosed in Note 6(iii), during the second quarter of 2011, the Company finalized the purchase price allocation in respect of the acquisition of Red Back. The consideration paid and the purchase price allocation for the acquisition of Red Back as previously reported under CDN GAAP and as finalized under IFRS are presented below.

Red Back Purchase Price	Reference	Preliminary CDN GAAP	Adjustment	Final IFRS
Common shares issued (416.4 million)	(i)	$ 6,549.3	$ 1,129.0	$ 7,678.3
Fair value of warrants issued (25.8 million)	(i)	117.7	43.6	161.3
Fair value of options issued (8.7 million)	(i)	69.8	21.4	91.2
Shares previously acquired	(ii)	580.3	209.3	789.6
Acquisition costs	(iii)	41.5	(41.5)	-
Total Purchase Price		7,358.6	1,361.8	8,720.4

Red Back Purchase Price Allocation	Reference	Preliminary CDN GAAP	Adjustment	Final IFRS
Cash and cash equivalents		$ 742.6	$ -	$ 742.6
Accounts receivable and other assets		27.0	-	27.0
Inventories	(vii)	115.2	(3.4)	111.8
Property, plant and equipment (including mineral interests)	(iv)	1,765.8	1,439.6	3,205.4
Accounts payable and accrued liabilities	(vii)	(103.4)	2.6	(100.8)
Future income and mining tax liabilities/Deferred tax liabilities	(v)	(311.5)	(371.5)	(683.0)
Provisions [1]	(iv)	(11.8)	(5.9)	(17.7)
Other long-term liabilities	(vii)	(22.5)	(12.5)	(35.0)
Non-controlling interest	(vi)	(3.9)	(65.0)	(68.9)
Goodwill	(viii)	5,161.1	377.9	5,539.0
Total Purchase Price		7,358.6	1,361.8	8,720.4

(1) Under CDN GAAP, provisions were included in other long-term liabilities, amounts were reclassified under IFRS

i. As consideration for the acquisition, the Company issued 416.4 million common shares and 25.8 million US$ warrants to the shareholders of Red Back, as well as 8.7 million fully vested replacement options to the option holders of Red Back.

Under CDN GAAP, the equity consideration was measured at its fair value at the date the acquisition was announced, August 2, 2010. The fair value of the common shares issued was $6,549.3 million and the fair values of warrants, and replacement options issued were $117.7 million, and $69.8 million, respectively, resulting in a total fair value of $6,736.8 million.

Under IFRS, the equity consideration was measured at its fair value on the acquisition date, September 17, 2010. The fair value of the common shares issued was $7,678.3 million and the fair values of the warrants, and replacement options issued were $161.3 million, and $91.2 million, respectively, resulting in a total fair value of $7,930.8 million. The differences in the measurement of the total equity consideration under IFRS resulted in an increase in the purchase price of $1,194.0 million with a corresponding increase in goodwill. As a result, common share capital and common share purchase warrants increased by $1,172.6 million and contributed surplus by $21.4 million.

ii. Under CDN GAAP, the Company's initial investment in Red Back was included in the total purchase price of the acquisition at its original cost of $580.3 million. Under IFRS, the Company's initial investment in Red Back was included in the total purchase price of the acquisition at its fair value on the acquisition date, September 17, 2010. The fair value of the Company's initial investment in Red Back on the acquisition date was $789.6 million. The difference in the measurement of Kinross' initial investment in Red Back under IFRS resulted in an increase in the purchase price of $209.3 million with a corresponding increase in goodwill.

Prior to the acquisition, the Company accounted for its investment in Red Back shares as an available-for-sale investment under both CDN GAAP and IFRS. For CDN GAAP, unrealized gains recorded in OCI were reversed against the carrying value of the investment at the acquisition date. Under IFRS, unrealized gains recorded in OCI of $209.3 million were reversed through net earnings in other income (expense) at the acquisition date.

iii. Under CDN GAAP, $41.5 million of acquisition-related costs were included in the determination of the purchase price of the acquisition. Under IFRS, acquisition-related costs were expensed in other income (expense) in the period and were not included in the determination of the purchase price. This difference in the treatment of acquisition-related costs under IFRS resulted in a decrease in the purchase price of $41.5 million with a corresponding decrease in goodwill.

iv. Under CDN GAAP, a portion of the purchase price relating to expected additional value is allocated to goodwill. Under IFRS, the amount related to expected additional value is allocated to mineral interests within property, plant and equipment. As a result, $1,694.4 million was reallocated from goodwill to property, plant and equipment (including mineral interests). Also, under CDN GAAP, the fair values of the Chirano assets were measured at 90% of their fair value. However, for IFRS, these fair values were measured at 100% of their fair value. The difference in the measurement of the fair value of the Chirano assets for IFRS resulted in an increase in property, plant and equipment (including mineral interests) of $66.9 million, and a corresponding decrease in goodwill of $66.9 million.

As a result of the finalization of the purchase price allocation, property, plant and equipment (including mineral interests) decreased by $321.7 million, and provisions increased by $5.9 million resulting in an increase in goodwill of $327.6 million.

v. As a result of the preliminary adjustments to the purchase equation and fair value allocations under IFRS, deferred income tax under IFRS increased by $440.5 million and goodwill increased by a corresponding amount.

As a result of the finalization of the purchase price allocation under IFRS, deferred income tax liabilities under IFRS decreased by $69.0 million resulting in a corresponding decrease in goodwill.

vi. Under IFRS, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree is measured at fair values on the acquisition date. The Company holds a 90% interest in the Chirano mine with the Government of Ghana having the right to the remaining 10%.

Based on the preliminary valuation of Chirano assets, under CDN GAAP, non-controlling interest was measured at its book value of $3.9 million. Under IFRS, non-controlling interest was measured at its fair value of $68.8 million, being 10% of the fair value of the net assets acquired on September 17, 2010, the acquisition date. This difference in the measurement of non-controlling interest under IFRS resulted in an increase in non-controlling interest of $64.9 million and a corresponding increase in goodwill.

As a result of the finalization of the purchase price allocation, non-controlling interest increased by $0.1 million, resulting in a corresponding increase in goodwill.

vii. As a result of the finalization of the purchase price allocation, inventories and accounts payable and accrued liabilities decreased by $3.4 million and $2.6 million, respectively, and other long-term liabilities increased by $12.5 million. Goodwill increased by $13.3 million related to these adjustments.

viii. The total adjustments in the IFRS preliminary purchase price allocation resulted in an increase in goodwill of $105.9 million as compared to CDN GAAP. As a result of the finalization of the purchase price allocation goodwill was further increased by $272.0 million.

On finalization of the purchase price allocation, goodwill previously included in the corporate and other segment was adjusted to reflect the final purchase price allocation and allocated to the Tasiast ($4,620.4 million) and Chirano ($918.6 million) properties. None of the goodwill recognized is expected to be deductible for tax purposes.

Based on the preliminary purchase price allocations, during the period from the acquisition date to December 31, 2010, the accounting under IFRS resulted in an increase in depreciation, depletion and amortization of $3.0 million with a corresponding decrease in property, plant and equipment (including mineral interests) and a decrease of $0.9 million in both income tax expense and deferred income tax. In addition, on the exercise of options granted as part of the acquisition, $4.4 million of the option valuation adjustment to contributed surplus under IFRS described in (i), above, was reallocated from contributed surplus to common share capital.

As a result of finalizing the purchase price allocation, during the period from the acquisition date to December 31, 2010, depreciation, depletion and amortization further increased by $17.4 million with a corresponding decrease in property, plant and equipment (including mineral interests); production cost of sales increased by an additional $2.0 million with a corresponding decrease in inventories. In addition,

property, plant and equipment and the provision for reclamation and remediation obligations increased by $1.1 million and finance expense and accounts payable and accrued liabilities decreased by $0.1 million. Income tax expense and deferred income tax both decreased by an additional $5.7 million and income attributed to non-controlling interest and non-controlling interest decreased by $1.0 million.

(c) Convertible notes

Under IFRS, the conversion options attached to the convertible notes which provide the Company with the option to settle the conversions in cash are treated as embedded derivatives. As these embedded derivatives are not closely related to the underlying debt, they are separated from the underlying debt and classified as a derivative liability. On initial recognition, this derivative liability was measured at fair value. The difference between the proceeds of the convertible debt and the fair value of the derivative liability was determined to be the carrying value of the underlying debt. Subsequent to initial recognition, the derivative liability is recorded at fair value each reporting period with changes in its fair value being recognized in the consolidated statement of operations. The underlying debt is accreted to its face value using the effective interest method.

Under CDN GAAP, the value of the convertible notes consisted of a debt component and an equity component. On initial recognition, the fair value of the debt component was determined, and the difference between the proceeds and the fair value of the debt component was treated as equity. Subsequent to initial recognition, the debt component was accreted to its face value using the effective interest method. The equity component was not revalued.

On transition, the accounting under IFRS resulted in an increase in unrealized fair value of derivative liabilities of $77.2 million, a decrease in long-term debt of $39.4 million, and a decrease in contributed surplus of $76.6 million. As a result, the accumulated deficit decreased by $38.8 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in an increase of $38.3 million in income included in other income (expense) with a corresponding decrease in unrealized fair value of derivative liabilities. Finance expense increased by $10.8 million with a corresponding increase in long-term debt.

(d) Warrants

Under IFRS, the outstanding CDN$ denominated common share purchase warrants, related to the Bema and Aurelian acquisitions, are considered derivative instruments and have been reclassified as liabilities measured at fair value. On initial recognition and at each subsequent reporting date the derivatives are adjusted to fair value and changes in fair value are recognized in the consolidated statement of operations.

Under CDN GAAP, the Company accounted for its CDN$ denominated warrants as equity instruments measured at their historical cost.

On transition, the accounting under IFRS resulted in an increase of $83.6 million in current unrealized fair value of derivative liabilities, a decrease of $68.8 million in common share capital and common share purchase warrants and an increase of $14.8 million in accumulated deficit.

During the year ended December 31, 2010, the decrease in the fair value of the warrants as determined under IFRS resulted in an increase of $35.2 million in income included in other income (expense) with a corresponding decrease in current portion of unrealized fair value of derivative liabilities.

(e) Provision for reclamation and remediation

Under IFRS, the Company recognizes a provision based on the estimated amount to be paid out at the time of decommissioning, discounted using a pre-tax discount rate that reflects the market's assessment of the time value of money and the risks specific to the liability at the reporting date. IFRS also requires changes in the liability to be recorded each period based on changes in discount rates in addition to changes in estimated timing or amount of future cash flows.

As a result of applying the IFRS 1 election related to reclamation and remediation obligations, the Company estimated the amount that would have been included in the cost of the reclamation and remediation asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate that would have applied for that liability over the periods prior to the transition date. Accumulated depreciation on the cost at the transition date was determined using the UOP method based on the current estimate of the life of mine and the recoverable ounces to be mined from estimated proven and probable reserves.

Under CDN GAAP, the Company recorded a provision for reclamation and remediation based on the estimated amount to be paid out at the time of decommissioning discounted to the current date using a credit adjusted risk free rate. Subsequent to a provision for reclamation and remediation being recorded, changes to the estimated liability, other than accretion, were recorded only as a result of changes in the timing or amount of future cash flows to settle the obligations.

On transition to IFRS, the provision for reclamation and remediation was increased by $163.4 million in the opening balance sheet. The application of the IFRS 1 exemption resulted in an increase of $85.4 million to the carrying value of property, plant and equipment in the opening balance sheet. These adjustments resulted in an increase in the Company's accumulated deficit of $59.0 million, net of related income tax of $18.5 million and non-controlling interest of $0.5 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in an increase of $8.1 million in depreciation, depletion and amortization and a decrease of $1.9 million in production cost of sales. Property, plant and equipment increased by $31.3 million and provisions increased by $30.3 million. Finance expense (accretion) decreased by $7.2 million and both income attributed to non-controlling interest and non-controlling interest decreased by $0.2 million. Income tax expense and deferred income tax liabilities both decreased by $0.8 million.

(f) Borrowing costs

Under IFRS, IAS 23 "Borrowing Costs" ("IAS 23") provides specific guidance on the requirement to capitalize borrowing costs related to qualifying assets. IFRS 1 provides an optional exemption permitting the application of IAS 23 prospectively. In applying this exemption, the Company reversed the amount of capitalized interest included in the balance sheet at the transition date under CDN GAAP with a corresponding adjustment to accumulated deficit on the transition date.

Under CDN GAAP, the Company may choose to adopt a policy to capitalize borrowing costs attributable to property, plant and equipment under certain conditions. In addition, CDN GAAP does not provide specific guidance as to identifying qualifying assets.

On transition to IFRS, the Company elected to apply IAS 23 prospectively as permitted under IFRS 1. The reversal of previously capitalized borrowing costs resulted in a reduction in the carrying value of property, plant and equipment of $59.5 million in the Company's opening balance sheet. This adjustment resulted in an increase in the Company's accumulated deficit of $38.8 million, net of related income tax of $15.2 million and non-controlling interest of $5.5 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in decreases of $8.7 million in depreciation, depletion and amortization, $3.4 million in property, plant and equipment and $0.9 million in deferred tax liabilities and income tax expense. Interest expense included in finance expense increased by $12.1 million and income attributed to non-controlling interest and non-controlling interest were each increased by $1.5 million.

(g) Exploration and evaluation

Under IFRS, except in the case of acquired exploration assets, E&E costs are expensed as incurred until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period. Thereafter, exploration and evaluation costs are capitalized prospectively. Upon demonstration of technical feasibility and commercial viability, capitalized E&E costs are transferred to

capitalized development costs within property, plant and equipment. Acquired exploration assets are always capitalized.

Under CDN GAAP, except in the case of acquired exploration assets, exploration and evaluation costs incurred prior to establishing proven and probable reserves for an exploration property or to expand existing properties were expensed as incurred. Once proven and probable reserves for a project were established and the Company determined that the property could be economically developed, further exploration and evaluation costs were capitalized prospectively.

On transition to IFRS, in the opening balance sheet, the change in accounting policy resulted in an increase of $74.4 million in property, plant and equipment and $9.6 million in deferred tax liabilities and a decrease of $63.1 million in the accumulated deficit. Non-controlling interest increased by $1.7 million. Of the amount capitalized to property, plant and equipment, $25.8 million related to capitalized E&E costs and the balance related to capitalized development costs.

During the year ended December 31, 2010, the accounting under IFRS resulted in increases of $71.8 million in property plant and equipment and $4.9 million in depreciation, depletion and amortization. Other operating costs and exploration and business development expenses decreased by $43.9 million and $32.8 million, respectively. Income tax expense increased by $6.6 million with a corresponding increase in deferred income tax. In addition, income attributed to non-controlling interest and non-controlling interest both increased by $2.8 million. Of the amount capitalized to property, plant and equipment, $45.5 million related to capitalized E&E costs, the balance related to capitalized development costs.

(h) Deferred tax on prior asset acquisitions

Under IFRS, a deferred tax liability or asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination.

Under CDN GAAP, when an asset is acquired other than in a business combination and the tax basis of that asset is less than or more than its cost, the cost or benefit of future income taxes recognized at the time of acquisition should be added to or deducted from the cost of the asset and the future tax liability or asset recognized.

On transition, the accounting required under IFRS resulted in a decrease in property, plant and equipment of $262.8 million and future income tax liabilities by $236.1 million. The difference of $26.7 million was an increase to the accumulated deficit.

During the year ended December 31, 2010, the accounting under IFRS resulted in decreases in property, plant and equipment of $93.7 million and $53.5 million in deferred tax liabilities. As a result of the reversal of deferred tax on transition and during the year, the Company recorded an increase of $39.9 million in income tax expense and a decrease in accounts payable and accrued liabilities of $0.3 million.

(i) Income taxes

Under IFRS, in the determination of temporary differences, the carrying value of non-monetary assets and liabilities is translated into the functional currency at the historical rate and compared to its tax value translated into the functional currency at the current rate. The resulting temporary difference (measured in the functional currency) is then multiplied by the appropriate tax rate to determine the related deferred tax balance.

Under CDN GAAP, in the determination of temporary differences related to non monetary assets and liabilities, the temporary differences computed in local currency are multiplied by the appropriate tax rate. The resulting future income tax amount is then translated into the Company's functional currency if it is different from the local currency.

On transition, the accounting under IFRS related to the determination of temporary differences of foreign currency non-monetary assets and liabilities resulted in an opening balance sheet adjustment to decrease future income taxes and the accumulated deficit by approximately $98.0 million on transition to IFRS.

In addition, on transition, other changes in the determination of timing differences under IFRS resulted in a decrease to future tax liabilities of $33.4 million, with a corresponding decrease to the accumulated deficit.

During the year ended December 31, 2010, income tax expense was increased by $8.5 million. Current tax payable was increased by $11.4 million, deferred tax assets were increased by $11.1 million, and deferred tax liabilities were decreased by $4.3 million. In addition, accounts payable and accrued liabilities and production cost of sales decreased by $8.4 million. Expenses included in other income (expense) were decreased by $12.5 million.

(j) Share-based payments

Under IFRS, IFRS 2 "Share-based Payment" has been applied to equity instruments granted after November 7, 2002 that had not vested prior to the transition date. Where options and restricted share units issued under the Company's share-based compensation plans that vest over a number of periods, each vesting amount is valued as a separate tranche and each tranche is amortized over its vesting period.

Under CDN GAAP, stock options and restricted share units that were subject to graded vesting, i.e. that vest in equal increments over a three year period, were treated as a single grant for purposes of valuation. The value of the grant was then amortized evenly over the vesting period. The result of the treatment under IFRS as compared with CDN GAAP is generally to accelerate the recognition of compensation costs.

On transition, the accounting under IFRS resulted in decreases of $0.9 million in accounts payable and accrued liabilities and increases of $14.4 million in contributed surplus and $13.5 million in accumulated deficit.

During the year ended December 31, 2010, the accounting required under IFRS resulted in a decrease of $0.5 million in general and administrative expense, and an increase of $0.9 million in accounts payable and accrued liabilities. Common share capital decreased by $0.4 million and contributed surplus decreased by $1.0 million.

(k) Impairment of property, plant and equipment

Under IFRS, IAS 36 "Impairment of Assets" ("IAS 36") requires an impairment charge to be recognized if the recoverable amount, determined as the higher of the estimated fair value less costs to sell or value in use, is less than the carrying amount. The impairment charge under IFRS is the amount by which the carrying amount exceeds the recoverable amount. In addition, impairment losses for assets other than goodwill are required to be reversed where circumstances requiring the impairment charge have changed and support the reversal.

Under CDN GAAP whenever the estimated future cash flows, on an undiscounted basis, of a property are less than the carrying amount of the property, an impairment loss is measured and recorded based on fair values. CDN GAAP does not permit the reversal of impairment losses recognized in prior periods under any circumstances.

Under CDN GAAP, no impairment charge was recognized for either goodwill or property, plant and equipment at December 31, 2010.

On transition to IFRS, following a comprehensive review of historical impairment charges, the Company determined that a portion of the previously recognized impairment loss relating to the Fort Knox mine should be reversed. The reversal was attributed to mineral interests in property, plant and equipment as

a result of favourable changes in gold price and the introduction of the heap leach process enabling more economic gold recovery at the Fort Knox mine since the impairment charge was recorded in 2005. The impairment reversal resulted in increases of $9.3 million in property, plant and equipment and $2.5 million in deferred tax liabilities, and a decrease of $6.8 million in accumulated deficit.

During the year ended December 31, 2010, the amount of the impairment reversed on transition was fully amortized resulting in an increase in depreciation, depletion and amortization of $9.3 million with a corresponding decrease in property, plant and equipment and a decrease of $2.5 million in both deferred tax liabilities and income tax expense.

Under IFRS, the Company conducts an annual goodwill impairment test in accordance with the methodology described in Note 3(ix). In addition, the carrying value of property, plant and equipment is tested for impairment when there are events and circumstances that indicate that the carrying value of the underlying assets might not be recoverable.

At December 31, 2010, the Company completed its annual goodwill impairment testing under IFRS in accordance with the methodology described in Note 3(ix) and it was determined that there was no impairment to goodwill. As at December 31, 2010, the Company determined that the recoverable amount determined as the fair value less costs to sell of Fruta del Norte, a pre-development project in Ecuador, was less than its carrying amount. The estimate of fair value less costs to sell was based on the accounting policy described in Note 3(ix). As such, an impairment charge of $290.7 million was recorded in exploration and business development costs in the consolidated statement of operations for the year ended December 31, 2010 with a corresponding decrease in property, plant and equipment. Under CDN GAAP, no such impairment was recorded because the estimated future cash flows, on an undiscounted basis, of Fruta del Norte exceeded its carrying amount.

(l) Interest in joint ventures

Under IFRS, in accordance with IAS 31 "Interests in Joint Ventures", when a jointly controlled entity becomes an associate as a result of a partial disposal, the investment retained is remeasured to fair value. As a result, the gain or loss on disposal is equal to the difference between the net proceeds and the carrying value for the interest disposed of plus the difference between the fair value of the retained interest and its carrying value prior to the disposal.

Under CDN GAAP, following a partial disposition of an investment where joint control is lost and the investment is to be accounted for using the equity method, the gain or loss on disposal is calculated as the difference between the net proceeds from the partial disposal and the carrying value of the investment disposed of. The retained interest in the investment is transferred to an equity method investment at its carrying value.

On transition, the accounting required under IFRS did not result in an adjustment.

On March 31, 2010, Kinross sold one half of its 50% interest in the Cerro Casale project, which was accounted for as a joint venture. As a result of the sale, the Company's interest was accounted for as an investment in an associate prospectively from March 31, 2010. The accounting under IFRS for the transfer from a joint venture to an investment in an associate resulted in an increase of $41.4 million in investments in associates with a corresponding increase in income included in other income (expense) related to the difference between the fair value of the retained interest in Cerro Casale and its carrying value prior to the disposition. At the transaction date, income tax expense and deferred tax liabilities were each increased by $7.0 million. There was no additional impact during the remainder of the year.

(m) Investments in associates

Under IFRS, determining whether significant influence exists considers, among other things, the Company's equity interest in an investment inclusive of potential voting rights, after giving effect to shares issued and those presently issuable by the investee.

Under CDN GAAP, the Company's investment in an investee is determined based on the number of shares issued and outstanding at the time the determination is made. CDN GAAP does not consider potential voting rights in determining whether an investor has significant influence over an investment.

On transition to IFRS, the Company recorded an adjustment to increase the carrying value of long-term investments by $16.3 million in the Company's opening balance sheet as a result of the change in classification of an investment from equity method to available-for-sale. As a result, the accumulated deficit was decreased by $16.3 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in a decrease in equity in losses of associates of $2.0 million. In addition, as described above, during the year, the investment was reclassified as available-for-sale under CDN GAAP aligning the accounting treatment under CDN GAAP with IFRS. As a result, the opening IFRS adjustment was reversed and accumulated other comprehensive loss was increased by $18.3 million.

(n) Other

Other IFRS adjustments on transition resulted in increases of $5.6 million in provisions and $6.1 million in accumulated deficit, and decreases of $1.2 million in deferred tax liabilities and $1.7 million in accumulated other comprehensive loss.

Management's Responsibility for Financial Statements

The consolidated financial statements, the notes thereto, and other financial information contained in the Management Discussion and Analysis have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are the responsibility of the management of Kinross Gold Corporation. The financial information presented elsewhere in the Management Discussion and Analysis is consistent with the data that is contained in the consolidated financial statements. The consolidated financial statements, where necessary, include amounts which are based on the best estimates and judgment of management.

In order to discharge management's responsibility for the integrity of the financial statements, the Company maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility. The system of internal controls is further supported by a compliance function, which is designed to ensure that we and our employees comply with securities legislation and conflict of interest rules.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Audit Committee, which is composed of non-executive directors, meets with management as well as the external auditors to ensure that management is properly fulfilling its financial reporting responsibilities to the Directors who approve the consolidated financial statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal controls and review financial reporting issues.

The consolidated financial statements have been audited by KPMG LLP, the independent registered public accounting firm, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States).

Tye W. Burt
President and Chief Executive Officer

Paul H. Barry
Executive Vice President
and Chief Financial Officer

KINROSS GOLD CORPORATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Kinross Gold Corporation

We have audited the accompanying consolidated balance sheets of Kinross Gold Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010 and the related consolidated statements of operations, comprehensive income (loss), cash flows, and equity for the years ended December 31, 2011 and December 31, 2010. These consolidated financial statements are the responsibility of Kinross Gold Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kinross Gold Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2011 and December 31, 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Kinross Gold Corporation's internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 15, 2012 expressed an unqualified opinion on the effectiveness of Kinross Gold Corporation's internal control over financial reporting.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
February 15, 2012 (except as to notes 23 and 24, which are as of March 23, 2012)

KINROSS GOLD CORPORATION

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Kinross Gold Corporation

We have audited Kinross Gold Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal*

Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Kinross Gold Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, in management's report on internal control over financial reporting included in Form 40-F for the year ended December 31, 2011. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Kinross Gold Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Kinross Gold Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010, and the related consolidated statements of operations, comprehensive income (loss), cash flows, and equity for each of the years ended December 31, 2011 and December 31, 2010, and our report dated February 15, 2012 (except as to notes 23 and 24, which are as of March 23, 2012) expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
February 15, 2012

KINROSS GOLD CORPORATION

CONSOLIDATED BALANCE SHEETS

(expressed in millions of United States dollars, except share amounts)

		As at		
		December 31, 2011	December 31, 2010 (Notes 6 (iii), 22)	January 1, 2010 (Note 22)
Assets				
Current assets				
Cash and cash equivalents	*Note 7*	**$ 1,766.0**	$ 1,466.6	$ 597.4
Restricted cash	*Note 7*	**62.1**	2.1	24.3
Short-term investments		**1.3**	—	35.0
Accounts receivable and other assets	*Note 7*	**309.4**	329.4	135.5
Inventories	*Note 7*	**976.2**	731.6	554.4
Unrealized fair value of derivative assets	*Note 11*	**2.8**	133.4	44.3
		3,117.8	2,663.1	1,390.9
Non-current assets				
Property, plant and equipment	*Note 7*	**8,959.4**	7,884.6	4,836.7
Goodwill	*Note 7*	**3,420.3**	6,357.9	1,179.9
Long-term investments	*Note 7*	**79.4**	203.8	157.8
Investments in associates and working interest	*Note 10*	**502.5**	467.5	150.7
Unrealized fair value of derivative assets	*Note 11*	**1.1**	2.6	1.9
Deferred charges and other long-term assets	*Note 7*	**406.4**	204.6	158.4
Deferred tax assets	*Note 18*	**21.9**	11.1	—
		$ 16,508.8	$ 17,795.2	$ 7,876.3
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	*Note 7*	**$ 575.3**	$ 409.0	$ 287.6
Current tax payable	*Note 18*	**82.9**	87.6	24.4
Current portion of long-term debt	*Note 13*	**32.7**	48.4	177.0
Current portion of provisions	*Note 14*	**38.1**	23.4	17.1
Current portion of unrealized fair value of derivative liabilities	*Note 11*	**66.7**	407.7	214.6

		795.7	976.1	720.7
Non-current liabilities				
Long-term debt	*Note 13*	**1,600.4**	426.0	475.8
Provisions	*Note 14*	**597.1**	577.8	448.5
Unrealized fair value of derivative liabilities	*Note 11*	**32.7**	97.0	290.0
Other long-term liabilities		**133.1**	115.0	50.7
Deferred tax liabilities	*Note 18*	**879.1**	810.0	234.3
		4,038.1	3,001.9	2,220.0
Equity				
Common shareholders' equity				
Common share capital and common share purchase warrants	*Note 15*	**$ 14,656.6**	$ 14,576.4	$ 6,379.3
Contributed surplus		**81.4**	185.5	107.4
Accumulated deficit		**(2,249.9)**	(51.5)	(740.6)
Accumulated other comprehensive loss	*Note 7*	**(97.7)**	(179.3)	(218.4)
		12,390.4	14,531.1	5,527.7
Non-controlling interest	*Note 7*	**80.3**	262.2	128.6
		12,470.7	14,793.3	5,656.3
Commitments and contingencies	*Note 20*			
		$ 16,508.8	$ 17,795.2	$ 7,876.3
Common shares				
Authorized		**Unlimited**	Unlimited	Unlimited
Issued and outstanding		**1,137,732,344**	1,133,294,930	696,027,270

Signed on behalf of the Board:

/s/ John A. Brough	**/s/ John M.H. Huxley**
John A. Brough	**John M.H. Huxley**
Director	**Director**

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(expressed in millions of United States dollars, except share and per share amounts)

		Years ended	
		December 31, 2011	**December 31, 2010 (Note 22)**
Revenue			
Metal sales		**$ 3,943.3**	$ 3,010.1
Cost of sales			
Production cost of sales		**1,596.4**	1,249.0
Depreciation, depletion and amortization		**577.4**	551.5
Impairment charges	*Note 8*	**2,937.6**	—
Total cost of sales		**5,111.4**	1,800.5
Gross profit (loss)		**(1,168.1)**	1,209.6
Other operating costs		**64.4**	16.1
Exploration and business development	*Note 8*	**136.4**	400.6
General and administrative		**173.6**	144.0
Operating earnings (loss)		**(1,542.5)**	648.9
Other income - net	*Note 7*	**101.8**	614.3
Equity in losses of associates	*Note 7*	**(2.3)**	(1.9)
Finance income		**6.9**	5.8
Finance expense	*Note 7*	**(66.1)**	(62.2)
Earnings (loss) before taxes		**(1,502.2)**	1,204.9
Income tax expense - net	*Note 18*	**(510.8)**	(332.8)
Net earnings (loss)		**$ (2,013.0)**	$ 872.1
Attributed to non-controlling interest		**$ 60.6**	$ 112.4
Attributed to common shareholders		**$ (2,073.6)**	$ 759.7
Earnings (loss) per share			
Basic		**$ (1.83)**	$ 0.92
Diluted		**$ (1.83)**	$ 0.92
Weighted average number of common shares outstanding (millions)	*Note 17*		
Basic		**1,136.0**	824.5
Diluted		**1,136.0**	829.2

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(expressed in millions of United States dollars)

		Years ended	
		December 31, 2011	December 31, 2010 (Note 22)
Net earnings (loss)		**$ (2,013.0)**	$ 872.1
Other comprehensive income (loss), net of tax:	*Note 7*		
Change in fair value of investments (a)		**(36.9)**	313.1
Accumulated other comprehensive income related to investments sold (b)		**(30.2)**	(70.8)
Reclassification of accumulated OCI related to the investment in Red Back Mining Inc. (b)		**—**	(209.3)
Reclassification of accumulated OCI related to the investment in Underworld Resources Inc. (b)		**—**	(7.4)
Changes in fair value of derivative financial instruments designated as cash flow hedges (c)		**(66.0)**	(75.2)
Accumulated OCI related to derivatives settled (d)		**214.7**	88.7
		81.6	39.1
Total comprehensive income (loss)		**$ (1,931.4)**	$ 911.2
Attributed to non-controlling interest		**$ 60.6**	$ 112.4
Attributed to common shareholders		**$ (1,992.0)**	$ 798.8

(a) Net of tax of $(4.2) million (2010 - $4.0 million)
(b) Net of tax of $nil (2010 - $nil)
(c) Net of tax of $(16.2) million (2010 - $13.5 million)
(d) Net of tax of $(13.8) million (2010 - $(13.2) million)

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in millions of United States dollars)

	Years ended	
	December 31, 2011	December 31, 2010 (Note 22)
Net inflow (outflow) of cash related to the following activities:		
Operating:		
Net earnings (loss)	**$ (2,013.0)**	$ 872.1
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:		
Depreciation, depletion and amortization	**577.4**	551.5
Gain on acquisition/disposition of assets and investments - net	**(24.8)**	(599.2)
Equity in losses of associates	**2.3**	1.9
Non-hedge derivative gains - net	**(59.1)**	(53.4)
Settlement of derivative instruments	**(48.7)**	—
Share-based compensation expense	**36.5**	32.5
Accretion expense	**54.6**	43.0
Deferred tax (recovery) expense	**108.4**	(39.1)
Foreign exchange (gains) losses and other	**(36.9)**	3.4
Reclamation expense	**15.7**	6.2
Impairment charges	**2,937.6**	290.7
Changes in operating assets and liabilities:		
Accounts receivable and other assets	**(118.0)**	(87.9)
Inventories	**(233.7)**	(96.5)
Accounts payable and accrued liabilities, excluding interest and taxes	**611.0**	364.3
Cash flow provided from operating activities	**1,809.3**	1,289.5
Income taxes paid	**(392.4)**	(287.3)
Net cash flow provided from operating activities Investing:	**1,416.9**	1,002.2
Additions to property, plant and equipment	**(1,651.5)**	(628.3)
Business acquisitions - net of cash acquired	**—**	545.5
Net proceeds from the sale of long-term investments and other assets	**101.4**	846.4
Additions to long-term investments and other assets	**(213.4)**	(617.8)

Net proceeds from the sale of property, plant and equipment	**2.1**	3.1
Disposal (additions) to short-term investments	**(1.3)**	35.0
Note received from Harry Winston	**70.0**	—
Decrease (increase) in restricted cash	**(60.0)**	22.2
Interest received	**7.9**	5.0
Other	**(3.2)**	2.6
Cash flow provided from (used in) investing activities Financing:	**(1,748.0)**	213.7
Issuance of common shares on exercise of options and warrants	**29.0**	15.9
Acquisition of CMGC 25% non-controlling interest	**(335.4)**	—
Proceeds from issuance of debt	**1,608.5**	127.3
Repayment of debt	**(482.1)**	(334.9)
Interest paid	**(10.0)**	(15.7)
Dividends paid to common shareholders	**(124.8)**	(70.6)
Dividends paid to non-controlling shareholder	**—**	(47.7)
Settlement of derivative instruments	**(43.6)**	(27.3)
Other	**(7.6)**	—
Cash flow provided from (used in) financing activities	**634.0**	(353.0)
Effect of exchange rate changes on cash and cash equivalents	**(3.5)**	6.3
Increase in cash and cash equivalents	**299.4**	869.2
Cash and cash equivalents, beginning of period	**1,466.6**	597.4
Cash and cash equivalents, end of period	**$ 1,766.0**	$ 1,466.6

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF EQUITY
(expressed in millions of United States dollars)

	Years ended	
	December 31, 2011	**December 31, 2010 (Note 22)**
Common share capital and common share purchase warrants		
Balance beginning of period	**$ 14,576.4**	$ 6,379.3
Shares issued on acquisition of properties	**3.8**	—
Shares issued on acquisition of Dvoinoye	**—**	173.9
Shares issued on acquisition of Red Back	**—**	7,678.3
Shares issued on acquisition of Underworld	**—**	117.7
Warrants issued on acquisition of Red Back	**—**	161.3
Common shares issued under employee share purchase plans	**6.2**	5.1
Transfer from contributed surplus on exercise of options and restricted share plan	**45.1**	48.4
Options and warrants exercised, including cash	**25.1**	12.4
Balance at the end of the period	**$ 14,656.6**	$ 14,576.4
Contributed surplus		
Balance beginning of period	**$ 185.5**	$ 107.4
Share-based compensation	**33.9**	30.1
Aurelian options exercised	**(3.9)**	(4.3)
Underworld options issued	**—**	5.3
Underworld options exercised	**(0.4)**	(2.8)
Red Back options issued	**—**	91.2
Red Back options exercised	**(19.0)**	(24.2)
Bema options exercised	**(0.1)**	—
Transfer of fair value of exercised options and restricted share plan	**(21.7)**	(17.2)
Acquisition of CMGC 25% non-controlling interest	**(92.9)**	—
Balance at the end of the period	**$ 81.4**	$ 185.5
Accumulated Deficit		
Balance beginning of period	**$ (51.5)**	$ (740.6)
Dividends paid	**(124.8)**	(70.6)
Net earnings (loss) attributed to common shareholders	**(2,073.6)**	759.7
Balance at the end of the period	**$ (2,249.9)**	$ (51.5)
Accumulated other comprehensive loss		
Balance beginning of period	**$ (179.3)**	$ (218.4)
Other comprehensive income	**81.6**	39.1
Balance at the end of the period	**$ (97.7)**	$ (179.3)
Total accumulated deficit and accumulated other comprehensive loss	**$ (2,347.6)**	$ (230.8)
Total common shareholders' equity	**$ 12,390.4**	$ 14,531.1
Non-controlling interest		
Balance beginning of period	**$ 262.2**	128.6
Net earnings attributed to non-controlling interest	**60.6**	112.4

Dividends paid	—	(47.7)
Amount allocated on acquisition of Red Back non-controlling interest	—	68.9
Acquisition of CMGC 25% non-controlling interest	**(242.5)**	—
Balance at end of the period	**$ 80.3**	$ 262.2
Total Equity	**$ 12,470.7**	$ 14,793.3

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010
(Tabular amounts in millions of United States dollars)

1. Description of business and nature of operations

Kinross Gold Corporation and its subsidiaries and joint ventures (collectively, "Kinross" or the "Company") are engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, extraction and processing of gold-containing ore and reclamation of gold mining properties. Kinross Gold Corporation, the ultimate parent, is a public company incorporated and domiciled in Canada with a registered office at 25 York Street, 17th floor, Toronto, Ontario, Canada, M5J 2V5. Kinross' gold production and exploration activities are carried out principally in Canada, the United States, the Russian Federation, Brazil, Ecuador, Chile, Ghana and Mauritania. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a quantity of silver. The Company is listed on the Toronto Stock Exchange and the New York Stock Exchange.

The consolidated financial statements of the Company for the year ended December 31, 2011 were authorised for issue in accordance with a resolution of the directors on February 15, 2012.

2. Basis of presentation

These consolidated financial statements for the year ended December 31, 2011 ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are the Company's first annual consolidated financial statements prepared under IFRS and have been prepared in accordance with IFRS 1 "First Time Adoption of International Financial Reporting Standards" ("IFRS 1"). The Company's date of transition to IFRS and its opening IFRS balance sheet are as at January 1, 2010 (the "transition date").

These financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities which are measured at fair value. The significant accounting policies are presented in Note 3 and have been consistently applied in each of the periods presented. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented in Note 5.

The Company's financial statements were previously prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP") which differs in some respects from IFRS. In preparing these financial statements, certain accounting and valuation methods previously applied under CDN GAAP were changed. The transition date balance sheet and the comparative amounts as at and for the year ended December 31, 2010 have been restated to reflect the accounting policies at December 31, 2011 with the exception of certain specific exemptions in accordance with IFRS 1. Significant first-time adoption optional exemptions elected and applied by the Company relate to the following:

- Business combinations;
- Reclamation and remediation obligations included in the cost of property, plant and equipment; and
- Borrowing costs.

The effect of these exemptions and the effect of the adjustments to the previously reported December 31, 2010 annual consolidated financial statements as a result of adopting IFRS are disclosed in Note 22 along with reconciliations between CDN GAAP and IFRS at the transition date and as at and for the year ended December 31, 2010.

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010
(Tabular amounts in millions of United States dollars)

3. Summary of significant accounting policies

i. Principles of consolidation

The significant mining properties and entities of Kinross are listed below. With the exception of Harry Winston Diamond Corporation ("Harry Winston") and the Diavik Diamond Mines joint venture ("Diavik"), all operating activities involve gold mining and exploration. Each of the significant entities has a December 31 year end with the exception of Harry Winston which has a January 31 year end.

			As at		
Entity	**Property/Segment**	**Location**	**December 31, 2011**	**December 31, 2010**	**January 1, 2010**
Subsidiaries (Consolidated)					
Fairbanks Gold Mining, Inc.	Fort Knox	USA	**100%**	100%	100%
Kinross Brasil Mineração S.A.	Paracatu	Brazil	**100%**	100%	100%

Compania Minera Maricunga	Maricunga	Chile	**100%**	100%	100%
Compania Minera Mantos de Oro	La Coipa(h)	Chile	**100%**	100%	100%
Echo Bay Minerals Company	Kettle River - Buckhorn	USA	**100%**	100%	100%
Chukotka Mining and Geological Company (a)	Kupol	Russian Federation	**100%**	75%	75%
Northern Gold LLC/Regionruda LLC(b)	Dvoinoye / Kupol	Russian Federation	**100%**	100%	—
Aurelian Ecuador S.A.	Fruta del Norte	Ecuador	**100%**	100%	100%
Minera Santa Rosa SCM	Lobo-Marte / Corporate and Other	Chile	**100%**	100%	100%
Underworld Resources Inc.(c)	White Gold / Corporate and Other	Canada	**100%**	100%	—
Tasiast Mauritanie Ltd. S.A.(d)	Tasiast	Mauritania	**100%**	100%	—
Chirano Gold Mines Ltd. (Ghana)(d)	Chirano	Ghana	**90%**	90%	—
Interests in jointly controlled entities (Proportionately consolidated)					
Round Mountain Gold Corporation	Round Mountain	USA	**50%**	50%	50%
Mineração Serra Grande S.A.	Crixás	Brazil	**50%**	50%	50%
Compania Minera Casale(e)	Cerro Casale / Corporate and Other	Chile	**—**	—	50%
Investments in associates (Equity accounted)					
Compania Minera Casale(e)	Corporate and Other	Chile	**25%**	25%	—
Harry Winston Diamond Corporation(f)	Corporate and Other		**—**	—	19.9%
Working Interest (Pro-rata share of earnings)					
Diavik Diamond Mines joint venture(g)	Corporate and Other		**—**	—	22.5%

(a) On April 27, 2011, Kinross' ownership in Chukotka Mining and Geological Company ("CMGC") increased to 100%. See Note 6(ii).
(b) On August 27, 2010, Dvoinoye was acquired with the acquisition of Northern Gold LLC and Regionruda LLC. See Note 6(viii). As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment.
(c) On April 26, 2010, 81.6% of White Gold was acquired with the acquisition of Underworld Resources Inc. ("Underworld"). The remaining 18.4% was acquired on June 30, 2010. See Note 6(v).
(d) Interests in the Tasiast and Chirano mines were acquired with the acquisition of Red Back Mining Inc. ("Red Back") on September 17, 2010. See Note 6(iii).
(e) On March 31, 2010, one-half of the Company's 50% interest in Cerro Casale was sold. See Note 6(iv). The retained 25% interest as at December 31, 2010 and December 31, 2011 is accounted for using the equity method.
(f) On July 23, 2010, the Company sold its equity interest in Harry Winston. See Note 6(vi).
(g) On August 25, 2010, the Company sold its Working Interest in Diavik. See Note 6(vii).
(h) Includes Sociedad Contractual Minera Puren which is proportionately consolidated in the La Coipa segment.

(a) Subsidiaries

Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating

policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation.

(b) Joint Ventures

The Company conducts a portion of its business through joint ventures where the venturers are bound by contractual arrangements establishing joint control over the ventures requiring unanimous consent of each of the venturers regarding strategic, financial and operating polices of the venture. The Company undertakes its joint ventures through jointly controlled entities, being corporations, partnerships or other unincorporated entities in which each venturer has an interest. Jointly controlled entities operate in the same way as other entities, controlling the assets of the venture, earning its own income and incurring liabilities and expenses. The Company's interests in its jointly controlled entities are accounted for using proportionate consolidation.

(c) Associates

Associates are entities, including unincorporated entities such as partnerships, over which the Company has significant influence and that are neither subsidiaries nor interests in joint ventures. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company's representation on the board of directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates are equity accounted for from the effective date of commencement of significant influence to the date that the company ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent audited annual financial statements or interim financial statements. Losses from associates are recognized in the consolidated financial statements until the interest in the associate is written down to nil. Thereafter, losses are recognized only to the extent that the Company is committed to providing financial support to such associates.

The carrying value of the investment in an associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses, accumulated other comprehensive income ("AOCI") and any impairment losses. At the end of each reporting period, the Company

assesses whether there is any objective evidence that its investments in associates are impaired.

(d) Working Interest

Until August 25, 2010, the date of disposition of the Company's Working Interest in Diavik, earnings from the Working Interest were accounted for based on Kinross' pro-rata share of earnings in the underlying entity.

ii. Functional and presentation currency

The functional and presentation currency of the Company is the United States dollar.

Transactions denominated in foreign currencies are translated into the United States dollar as follows:

- Foreign currency transactions are recognized initially at the exchange rate at the date of the transaction;
- Monetary assets and liabilities are translated at the rates of exchange at the consolidated balance sheet date;
- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date;
- Revenue and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, depletion and amortization, which are translated at the rates of exchange applicable to the related assets, and share-based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation; and
- Exchange gains and losses on translation are included in earnings.

When the gain or loss on certain non-monetary items, such as long-term investments classified as available-for-sale, is recognized in other comprehensive income ("OCI"), the translation differences are also recognized in OCI.

For those subsidiaries, joint ventures or associates whose functional currency differs from the United States dollar, foreign currency balances and transactions are translated into the United States dollar as follows:

- Assets and liabilities are translated at the rates of exchange at the consolidated balance sheet date;
- Revenue and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; items such as depreciation are translated at the rate implicit in the historical rate applied to the related asset; and
- Exchange gains and losses on translation are included in OCI.

The exchange gains and losses are recognized in earnings upon the substantial disposition, liquidation or closure of the entity that gave rise to such amounts.

iii. Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a maturity of three months or less at the date of acquisition.

Restricted cash is cash held in banks that is not available for general corporate use.

iv. Short-term investments

Short-term investments include short-term money market instruments with terms to maturity at the date of acquisition of between three and twelve months. The carrying value of short-term investments is equal to cost and accrued interest.

v. Long-term investments

Investments in entities that are not subsidiaries, joint ventures or investments in associates are designated as available-for-sale investments. These investments are measured at fair value on acquisition and at each reporting date. Any unrealized holding gains and losses related to these investments are excluded from net earnings and are included in OCI until an investment is sold and gains or losses are realized, or there is objective evidence that the investment is impaired. When there is evidence that an investment is impaired, the cumulative loss that was previously recognized in OCI is reclassified from AOCI to the consolidated statement of operations.

vi. Inventories

Inventories consisting of metal in circuit ore, metal in-process and finished metal are valued at the lower of cost or net realizable value ("NRV"). NRV is calculated as the difference between the estimated gold prices based on prevailing and long-term metal prices and estimated costs to complete production into a saleable form.

Metal in circuit is comprised of ore in stockpiles and ore on heap leach pads. Ore in stockpiles is coarse ore that has been extracted from the mine and is available for further processing. Costs are added to stockpiles based on the current mining cost per tonne and removed at the average cost per tonne. Costs are added to ore on the heap leach pads based on current mining costs and removed from the heap leach pads as ounces are recovered, based on the average cost per recoverable ounce of gold on the leach pad. Ore in stockpiles not expected to be processed in the next twelve months is classified as long-term.

In-process inventories represent materials that are in the process of being converted to a saleable product.

The quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the leach pads to the quantities of gold actually recovered (metallurgical balancing); however, the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write downs to NRV

are accounted for on a prospective basis. The ultimate recovery of gold from a leach pad will not be known until the leaching process has concluded. In the event that the Company

determines, based on engineering estimates, that a quantity of gold contained in ore on leach pads is to be recovered over a period exceeding twelve months, that portion is classified as long-term.

In process and finished metal inventories, comprised of gold and silver doré and bullion, are valued at the lower of the average production cost of sales applicable to the related processing cycle and NRV.

Materials and supplies are valued at the lower of average cost and NRV.

Write downs of inventory are recognized in the consolidated statement of operations in the current period. The Company reverses write downs in the event that there is a subsequent increase in NRV.

vii. Borrowing costs

Borrowing costs are generally expensed as incurred except where they relate to the financing of qualifying assets that require a substantial period of time to get ready for their intended use. Qualifying assets include the cost of developing mining properties and constructing new facilities. Borrowing costs related to qualifying assets are capitalized up to the date when the asset is ready for its intended use.

Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred net of any investment income earned on the investment of those borrowings. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the period.

viii. Business combinations

Business combinations occurring on or after January 1, 2010 are accounted for in accordance with IFRS as stated in the policy below. Business combinations occurring before this date have been accounted for in accordance with CDN GAAP and have not been restated (see Note 22).

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the exploration and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business. Those factors include, but are not limited to, whether the set of activities and assets:

- has begun planned principal activities;
- has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- is pursuing a plan to produce outputs; and
- will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities and assets in the development stage to qualify as a business.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units ("CGUs"). Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of operations.

Where a business combination is achieved in stages, previously held equity interests in the acquiree are re-measured at acquisition-date fair value and any resulting gain or loss is recognized in the consolidated statement of operations.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they must be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

If the assets acquired are not a business, the transaction is accounted for as an asset acquisition.

ix. Goodwill

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the acquisition amount over such fair value being recorded as goodwill and allocated to CGUs. CGUs are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each individual mineral property that is an operating or development stage mine is typically a CGU for goodwill impairment testing purposes.

Goodwill arises principally because of the following factors: (1) the going concern value of the Company's capacity to sustain and grow by replacing and augmenting reserves through completely new discoveries; (2) the ability to capture buyer-specific synergies arising upon a transaction; (3) the optionality (real option value associated with the portfolio of acquired mines as well as each individual mine) to develop additional higher-cost reserves, to intensify efforts to develop the more promising acquired properties and to reduce efforts at developing the less promising acquired properties in the future (this optionality may result from changes in the overall economics of an individual mine or a portfolio of mines, largely driven by changes in the gold price); and (4) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of the assets acquired and liabilities assumed in a business combination.

On an annual basis, as at December 31, and at any other time if events or changes in circumstances indicate that the recoverable amount of a CGU has been reduced below its carrying amount, the carrying amount of the CGU is evaluated for potential impairment. If the carrying amount of the CGU exceeds its recoverable amount, an impairment is considered to exist and an impairment loss is recognized to reduce the carrying value to its recoverable amount.

When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use and fair value less costs to sell.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result (usually lower) to a fair value calculation.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by an appropriate discount rate to arrive at a net present value or net asset value ("NAV") of the asset.

Estimates of expected future cash flows reflect estimates of future revenues, cash costs of production and capital expenditures contained in the Company's long-term life of mine ("LOM") plans, which are updated for each CGU on an annual basis. The Company's LOM plans are based on detailed research, analysis and modeling to maximize the NAV of each CGU. As such, these plans consider the optimal level of investment, overall production levels and sequence of extraction taking into account all relevant characteristics of the ore body, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties impacting process recoveries, capacities of available extraction, haulage and processing equipment, and other factors. Therefore, the LOM plan is an appropriate basis for forecasting production output in each future year and the related production costs and capital

expenditures. The LOM plans have been determined using cash flow projection from financial budgets approved by senior management covering a 6 year to 45 year period.

Projected future revenues reflect the forecast future production levels at each of the Company's CGUs as detailed in the LOM plans. These forecasts may include the production of mineralized material that does not currently qualify for inclusion in reserve or resource classification. This is consistent with the methodology used to measure value beyond proven and probable reserves when allocating the purchase price of a business combination to acquired mining assets. The fair value arrived at as described above, is the Company's estimate of fair value for accounting purposes and is not a "preliminary assessment" as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

Projected future revenues also reflect the Company's estimates of future metals prices, which are determined based on current prices, forward prices and forecasts of future prices prepared by industry analysts. These estimates often differ from current price levels, but the methodology used is consistent with how a market participant would assess future long-term metals prices. For the 2011 annual goodwill impairment analysis, estimated 2012, 2013 and long-term gold prices of $1,800, $1,740 and $1,250 per ounce, respectively, and estimated 2012, 2013 and long-term silver prices of $37.50, $36.00 and $22.00 per ounce, respectively, were used. For the 2010 annual goodwill impairment analysis, estimated 2011, 2012 and long-term gold prices of $1,400 $1,300 and $1,000 per ounce, respectively, and estimated 2011, 2012 and long-term silver prices of $25.90, $23.75 and $16.63 per ounce, respectively, were used. For the transition date goodwill impairment analysis, estimated 2010, 2011, and long-term gold prices of $1,075, $1,100 and $850 per ounce, respectively, and estimated 2010, 2011 and long-term silver prices of $17.69, $17.50 and $13.43 per ounce, respectively, were used.

The Company's estimates of future cash costs of production and capital expenditures are based on the LOM plans for each CGU. Costs incurred in currencies other than the US dollar are translated to US dollar equivalents based on long-term forecasts of foreign exchange rates, on a currency by currency basis, obtained from independent sources of economic data. Oil prices are a significant component of cash costs of production and are estimated based on the current price, forward prices, and forecasts of future prices from third party sources. For the 2011 annual goodwill impairment analysis, an estimated 2012 and long-term oil price of $95 and $90 per barrel, respectively, was used. For the 2010 annual goodwill impairment analysis, an estimated 2011 and long-term oil price of $100 and $100 per barrel, respectively, was used. For the transition date goodwill impairment analysis, an estimated 2010 and long-term oil price of $75 and $80 per barrel, respectively, was used.

The discount rate applied to present value the net future cash flows is based on a real weighted average cost of capital by country to account for

geopolitical risk. For the 2011 annual goodwill impairment analysis, real discount rates of between 4.37% and 8.54% were used. For the 2010 annual goodwill impairment analysis, real discount rates of between 5.22% and 9.66% were used. For the transition date goodwill impairment analysis, real discount rates of between 5.25% and 9.24% were used.

Since public gold companies typically trade at a market capitalization that is based on a multiple of their underlying NAV, a market participant would generally apply a NAV multiple when estimating the fair value of a gold mining property. Consequently, the Company estimates the fair value of each CGU by applying a market NAV multiple to the NAV of each CGU.

When selecting NAV multiples to arrive at fair value, the Company considered the trading prices and NAV estimates of comparable gold mining companies as at December 31, 2011, December 31, 2010 and January 1, 2010 in respect of the fair value determinations at those dates, which ranged from 0.7 to 1.2, 1.3 to 2.1, and 1.4 to 2.0, respectively. The selected ranges of multiples applied to each CGU took into consideration, among other factors: expected production growth in the near term; average cash costs over the life of the mine; potential remaining mine life; and stage of development of the asset.

x. Exploration and evaluation ("E&E") costs

Exploration and evaluation costs are those costs required to find a mineral property and determine commercial viability. E&E costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources can be converted to proven and probable reserves.

E&E costs consist of:

- gathering exploration data through topographical and geological studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

Project costs in relation to these activities are expensed as incurred until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period. Thereafter, costs for the project are capitalized prospectively as capitalized exploration and evaluation costs in property, plant and equipment.

The Company also recognizes E&E costs as assets when acquired as part of a business combination, or asset purchase. These assets are recognized at fair value. Acquired E&E costs consist of:

- fair value of the estimated mineral inventory, and
- exploration properties.

Acquired or capitalized E&E costs for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized E&E costs are transferred to capitalized development costs within property, plant and equipment. Technical feasibility and commercial viability generally coincides with the establishment of proven and probable reserves; however, this determination may be impacted by management's assessment of certain modifying factors including: legal, environmental, social and governmental factors.

xi. Property, plant and equipment

Property, plant and equipment are recorded at cost and carried net of accumulated depreciation, depletion and amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the estimate of reclamation and remediation and, for qualifying assets, capitalized borrowing costs.

Costs to acquire mineral properties are capitalized and represent the property's fair value at the time it was acquired, either as an individual asset purchase or as part of a business combination.

Interest expense attributable to the cost of developing mining properties and to constructing new facilities is capitalized until assets are ready for their intended use.

Acquired or capitalized exploration and evaluation costs may be included within mineral interests in development and operating properties or pre-development properties depending upon the nature of the cost or the property to which the costs relate. Repairs and maintenance costs are expensed as incurred. However, expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditures will extend the productive capacity or useful life of an asset.

(a) Asset categories

The Company categorizes property, plant and equipment based on the type of asset and/or the stage of operation or development of the property.

Land, plant and equipment includes land, mobile and stationary equipment, and refining and processing facilities for all properties regardless of their stage of development or operation.

Mineral interests consist of:

- Development and operating properties which include capitalized development and stripping costs, cost of assets under construction, exploration and evaluation costs and mineral interests for those properties currently in operation, for which development has commenced, or for which proven and probable reserves have been declared; and

- Pre-development properties which include exploration and evaluation costs and mineral interests for those properties for which development has not commenced.

(b) Depreciation, depletion and amortization

For plant and other facilities, stripping costs, reclamation and remediation costs, production stage mineral interests and plant expansion costs, the Company uses the units-of-production ("UOP") method for determining depreciation, depletion and amortization. The expected useful lives used in the UOP calculations are determined based on the facts and circumstances associated with the mineral interest. The Company evaluates the proven and probable reserves at least on an annual basis and adjusts the UOP calculation to correspond with the changes in reserves. The expected useful life used in determining UOP does not exceed the estimated life of the ore body based on recoverable ounces to be mined from estimated proven and probable reserves. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Stripping and other costs incurred in a pit expansion are capitalized and amortized using the UOP method based on recoverable ounces to be mined from estimated proven and probable reserves contained in the pit expansion.

Land is not depreciated.

Mobile and other equipment are depreciated, net of residual value, using the straight-line method, over the estimated useful life of the asset. Useful lives for mobile and other equipment range from 2 to 10 years, but do not exceed the related estimated mine life based on proven and probable reserves.

The Company reviews useful lives and estimated residual values of its property, plant and equipment annually.

Acquired or capitalized exploration and evaluation costs and assets under construction are not depreciated. These assets are depreciated when they are put into production in their intended use.

(c) Impairment

The carrying amounts of the Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. In addition, capitalized exploration and evaluation costs are assessed for impairment upon demonstrating the technical feasibility and commercial viability of a project.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or groups of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the consolidated statement of operations. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

(d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal of the asset or when no future economic benefits are expected to accrue to the Company from its continued use. Any gain or loss arising on derecognition is included in the consolidated statement of operations in the period in which the asset is derecognized. The gain or loss is determined as the difference between the carrying value and the net proceeds on the sale of the assets, if any, at the time of disposal.

xii. Financial instruments and hedging activity

(a) Financial instrument classification and measurement

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as "fair value through profit and loss", directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit and loss", "available-for-sale", "held-to-maturity", or "loans and receivables" as defined by IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as fair value through profit and loss or "other financial liabilities".

Financial assets and financial liabilities at fair value through profit and loss include financial assets and financial liabilities that are held for trading or designated upon initial recognition as at fair value through profit and loss. These financial instruments are measured at fair value with changes in fair values recognized in the consolidated statement of operations. Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized in OCI, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been

previously recognized in OCI is recognized within the consolidated statement of operations. Financial assets classified as held-to-maturity and loans and receivables are measured subsequent to initial recognition at amortized cost using the effective interest method. Financial liabilities, other than financial liabilities classified as fair value through profit and loss, are measured in subsequent periods at amortized cost using the effective interest method.

Cash and cash equivalents, restricted cash and short-term investments are designated as fair value through profit and loss and are measured at cost, which approximates fair value. Trade receivables and other assets are designated as loans and receivables. Long-term investments in equity securities, where the Company cannot exert significant influence, are designated as available-for-sale. Accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities.

Derivative assets and liabilities include derivative financial instruments that do not qualify as hedges, or are not designated as hedges and are classified as fair value through profit and loss.

(b) Hedges

The Company formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivatives to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying position or transaction being hedged. At the time of inception of the hedge and on an ongoing basis, the Company assesses whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivative contracts that have been designated as cash flow hedges have been entered into in order to effectively establish prices for future production of metals, to hedge exposure to exchange rate fluctuations of foreign currency denominated settlement of capital and operating expenditures, to establish prices for future purchases of energy or to hedge exposure to interest rate fluctuations. Unrealized gains or losses arising from changes in the fair value of these contracts are recorded in OCI, net of tax, and are only included in earnings when the underlying hedged transaction, identified at the contract inception, is completed. Any ineffective portion of a hedge relationship is recognized immediately in the consolidated statement of operations. The Company matches the

realized gains or losses on contracts designated as cash flow hedges with the hedged expenditures at the maturity of the contracts.

When derivative contracts designated as cash flow hedges have been terminated or cease to be effective prior to maturity and no longer qualify for hedge accounting, any gains or losses recorded in OCI up until the time the contracts do not qualify for hedge accounting remain in OCI. Amounts recorded in OCI are recognized in the consolidated statement of operations in the period in which the underlying hedged transaction is completed. Gains or losses arising subsequent to the derivative contracts not qualifying for hedge accounting are recognized in the consolidated statement of operations in the period in which they occur.

For hedges that do not qualify for hedge accounting, gains or losses are recognized in the consolidated statement of operations in the current period.

xiii. Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, an evaluation is made as to whether a decline in fair value is significant or prolonged based on an analysis of indicators such as market price of the investment and significant adverse changes in the technological, market, economic or legal environment in which the investee operates.

If an available-for-sale financial asset is impaired, an amount equal to the difference between its carrying value and its current fair value is transferred from AOCI and recognized in the consolidated statement of operations. Reversals of impairment charges in respect of equity instruments classified as available-for-sale are not recognized in the consolidated statement of operations.

xiv. Share-based payments

The Company has a number of equity-settled and cash-settled share-based compensation plans under which the Company issues either equity instruments or makes cash payments based on the value of the underlying equity instrument of the Company. The Company's share-based compensation plans are comprised of the following:

Stock Option Plan: Stock options are equity-settled. The fair value of stock options at the grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized over the stock option vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest at the time of a grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of options, the shares are issued from treasury.

Restricted Share Unit Plan: Restricted share units ("RSU") are equity-settled and are fair valued based on the market value of the shares at the grant date. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of RSUs, the shares are issued from treasury.

Restricted Performance Share Unit Plan: Restricted Performance Share Units ("RPSU") are equity-settled and are awarded to certain employees as a percentage of their annual long-term incentive award grant. These units are subject to certain vesting requirements and vest at the end of three years. Vesting requirements are based on performance criteria established by the Company. RPSUs are fair valued as follows: The portion of the RPSUs related to market conditions is fair valued based on the application of a Monte Carlo pricing model at the date of grant and the portion related to non-market conditions is fair valued based on the market value of the shares at the date of grant. The Company's compensation expense is recognized over the vesting period based on the number of units estimated to vest. Management estimates the number of awards likely to vest on grant and at each reporting date up to the vesting date. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period. On exercise of RPSUs, the

shares are issued from treasury.

Deferred Share Unit Plan: Deferred share units ("DSU") are cash-settled and accounted for as a liability at fair value which is based on the market value of the shares at the grant date. The fair value of the liability is re-measured each period based on the current market value of the underlying stock at period end and any changes in the liability are recorded as compensation expense each period.

Employee Share Purchase Plan: The Company's contribution to the Employee Share Purchase Plan ("ESPP") is recorded as compensation expense on a payroll cycle basis as the employer's obligation to contribute is incurred. The cost of the common shares issued under the ESPP is based on the average of the last twenty trading sessions prior to the end of the period.

xv. Metal sales

Metal sales includes sales of refined gold and silver, which are generally physically delivered to customers in the period in which they are produced, with their sales price based on prevailing spot market metal prices. Revenue from metal sales is recognized when all the following conditions have been satisfied:

- The significant risks and rewards of ownership have been transferred;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

These conditions are generally met when the sales price is fixed and title has passed to the customer.

xvi. Provision for reclamation and remediation

The Company records a liability and corresponding asset for the present value of the estimated costs of legal and constructive obligations for future site reclamation and closure where the liability is probable and a reasonable estimate can be made of the obligation. The estimated present value of the obligation is reassessed on an annual basis or when new material information becomes available. Increases or decreases to the obligation usually arise due to changes in legal or regulatory requirements, the extent of environmental remediation required, methods of reclamation, cost estimates, or discount rates. Changes to the provision for reclamation and remediation obligations related to operating mines, which are not the result of current production of inventory, are recorded with an offsetting change to the related asset. For properties where mining activities have ceased or are in reclamation, changes are charged directly to earnings. The present value is determined based on current market assessments of the time value of money using discount rates specific to the country in which the reclamation site is located and is determined as the risk-free rate of borrowing approximated by the yield on sovereign debt for that country, with a maturity approximating the end of mine life. The periodic unwinding of the discount is recognized in the consolidated statement of operations as a finance expense.

xvii. Income tax

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense is recognized in the consolidated statement of operations except to the extent it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax is calculated based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the year of realization or settlement based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent it is probable future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the

extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes. Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Corporation has the legal right and intent to offset.

xviii. Earnings (loss) per share

Earnings (loss) per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the year. Basic earnings per share amounts are calculated by dividing net earnings attributable to common shareholders for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing net earnings attributable to common shareholders for the period by the diluted weighted average shares outstanding during the period.

Diluted earnings per share is calculated using the treasury method, except the if-converted method is used in assessing the dilution impact of convertible notes and restricted share units. The treasury method, which assumes that outstanding stock options, warrants and restricted share units with an average exercise price below the market price of the underlying shares, are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period. The if-converted method assumes that all convertible notes and restricted share units have been converted in determining fully diluted EPS if they are in-the-money except where such conversion would be anti-dilutive.

4. Recent accounting pronouncements

Stripping costs

In October 2011, the IASB issued IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” (“IFRIC 20”) which provides guidance on the accounting for costs related to stripping activity in the production phase of surface mining. When the stripping activity results in the benefit of useable ore that can be used to produce inventory, the related costs are to be accounted for in accordance with IAS 2 “Inventories”; when the stripping activity results in the benefit of improved access to ore that will be mined in future periods, the related costs are to be accounted for in accordance with IFRIC 20 as additions to non-current assets when specific criteria are met.

IFRIC 20 is effective for annual periods beginning on or after January 1, 2013, and permits early adoption. The Company is in the process of determining the impact on its financial statements.

Financial instruments

The IASB has issued IFRS 9 “Financial Instruments” (“IFRS 9”) which proposes to replace IAS 39. The replacement standard has the following significant components: establishes two primary measurement categories for financial assets — amortized cost and fair value; establishes criteria for classification of financial assets within the measurement category based on business model and cash flow characteristics; and eliminates existing held to maturity, available-for-sale and loans and receivable categories.

This standard is effective for the Company’s annual year end beginning January 1, 2015 (as amended from January 1, 2013 by the IASB in December 2011). The Company will evaluate the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments at the time of adoption.

IFRS 7 “Financial instruments — Disclosures” (“IFRS 7”) was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained.

The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. There was no impact of the amendments to IFRS 7 upon adoption on January 1, 2012.

Consolidation and related standards

The IASB issued the following suite of consolidation and related standards, all of which are effective for annual periods beginning on or after January 1, 2013. The Company has not yet determined the impact of these standards on its financial statements.

IFRS 10 “Consolidated Financial Statements” (“IFRS 10”), which replaces parts of IAS 27, “Consolidated and Separate Financial Statements” (“IAS 27”) and all of SIC-12 “Consolidation — Special Purpose Entities”, changes the definition of control which is the determining factor in whether an entity should be consolidated. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IAS 27 “Separate Financial Statements (2011)” (“IAS 27 (2011)”) was reissued and now only contains accounting and disclosure requirements for when an entity prepares separate financial statements, as the consolidation guidance is now included in IFRS 10.

IFRS 11 “Joint Arrangements” (“IFRS 11”), which replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities — Non-monetary Contributions by Venturers”, requires a venturer to classify its interest in a joint arrangement as either a joint operation or a joint venture. For a joint operation, the joint operator will recognize its assets, liabilities, revenue and expenses, and/or its relative share thereof. For a joint venture, the joint venturer will account for its interest in the venture’s net assets using the equity method of accounting. The choice to proportionally consolidate joint ventures is prohibited.

IAS 28 “Investments in Associates and Joint Ventures (2011)” (“IAS 28”) was amended as a consequence of the issuance of IFRS 11. In addition to prescribing the accounting for investments in associates, it now includes joint

ventures that are to be accounted for by the equity method. The application of the equity method has not changed as a result of this amendment.

IFRS 12 “Disclosure of Interests in Other Entities” (“IFRS 12”) is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, and structured entities. This standard carries forward the disclosures that existed under IAS 27, IAS 28 and IAS 31, and also introduces additional disclosure requirements that address the nature of, and risks associated with an entity’s interests in other entities.

Fair value measurement

The IASB also has issued the following standard, which is effective for annual periods beginning on or after January 1, 2013, for which the Company has not yet determined the impact on its financial statements.

IFRS 13 “Fair Value Measurement” (“IFRS 13”) provides guidance on how fair value should be applied where its use is already required or permitted by other IFRS standards, and includes a definition of fair value and is a single source of guidance on fair value measurement and disclosure requirements for use across all IFRS standards.

5. Significant judgments, estimates and assumptions

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

i. Reserves

Proven and probable reserves are the economically mineable parts of the Company’s measured and indicated mineral resources demonstrated by at least a preliminary feasibility study. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the proven and probable reserves or measured and indicated and inferred mineral resources estimates may impact the carrying value of property, plant and equipment, goodwill, reclamation and remediation obligations, recognition of deferred tax amounts and depreciation, depletion and amortization.

ii. Purchase Price Allocation

Applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally require a high degree of judgment, and include estimates of mineral reserves acquired, future metal prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

iii. Depreciation, depletion and amortization

Plants and other facilities used directly in mining activities are depreciated using the UOP method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful

life of the equipment but does not exceed the related estimated life of the mine based on proven and probable reserves.

The calculation of the UOP rate, and therefore the annual depreciation, depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used

in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

iv. Impairment of goodwill and other assets

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations. The assessment of fair values, including those of the CGUs for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, NAV multiples, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

v. Inventories

Expenditures incurred, and depreciation, depletion and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or NRV. Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation, depletion and amortization relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing) by comparing the grades of ore placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is completed.

The allocation of costs to ore in stockpiles, ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

vi. Provision for reclamation and remediation

The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

vii. Deferred taxes

The Company recognizes the deferred tax benefit related to deferred income and resource tax assets to the extent recovery is probable. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable profit. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from deferred income and resource tax assets.

6. Acquisitions and dispositions

(i) Sale of Interest in Harry Winston

On March 23, 2011, the Company completed the sale of its approximate 8.5% interest in Harry Winston, consisting of approximately 7.1 million common shares, for net proceeds of $100.6 million and a resulting gain on sale of $30.9 million. The Company had acquired these shares as part of the proceeds received on the sale of the Company's 22.5% interest in the partnership holding Harry Winston's 40% interest in the Diavik Diamond mine joint venture. On August 25, 2011, the Company collected a note receivable from Harry Winston in the amount of $70.0 million which was also part of the proceeds on the sale of the Company's Working Interest in Diavik in August 2010.

(ii) Acquisition of 25% of CMGC

On April 27, 2011, Kinross' 75%-owned subsidiary, CMGC, completed a Share Purchase Agreement with the State Unitary Enterprise of the Chukotka Autonomous Okrug ("CUE"), to repurchase the 2,292,348 shares of CMGC, representing 25.01% of CMGC's outstanding share capital, for gross

consideration of $335.4 million, including transaction costs. The excess of the consideration paid over the carrying value of the non-controlling interest, was recorded as a reduction of contributed surplus in the amount of $92.9 million.

(iii) Acquisition of Red Back

On September 17, 2010 (the "acquisition date"), Kinross completed its acquisition of Red Back through a plan of arrangement, whereby Kinross acquired all of the issued and outstanding common shares of Red Back that it did not already own. As a result of this acquisition, the Company expanded operations into West Africa. In Ghana, the Company holds a 90% interest in the Chirano Gold mine ("Chirano") with the Government of Ghana having a 10% carried interest. In Mauritania, the Company holds a 100% interest in the Tasiast mine ("Tasiast"). Total consideration for the acquisition was approximately $8,720.4 million, including the fair value of the previously owned interest of $789.6 million. Non-controlling interest was measured at 10% of the fair value of Chirano's net identifiable assets at the acquisition date.

Red Back shareholders received 1.778 Kinross common shares, plus 0.11 of a Kinross common share purchase warrant for each Red Back common share held. As a result of the transaction, Kinross issued 416.4 million common shares and 25.8 million common share purchase warrants. The Company also issued 8.7 million fully vested replacement options to acquire Kinross common shares to previous Red Back option holders.

As the purchase is a business combination, with Kinross being the acquirer, results of operations of Red Back have

been consolidated with those of Kinross commencing on the acquisition date.

Total consideration paid of $8,720.4 million was calculated as follows:

Common shares issued (416.4 million)	$	**7,678.3**
Fair value of warrants issued (25.8 million)		**161.3**
Fair value of options issued (8.7 million)		**91.2**
Shares previously acquired		**789.6**
Total Purchase Price	$	**8,720.4**

In finalizing the purchase price allocation during 2011, the Company adjusted the preliminary purchase price allocation as set out below. The adjustments recorded resulted in an increase to goodwill of $272.0 million from the amount previously reported.

The following table sets forth the final allocation of the purchase price to assets and liabilities acquired.

Red Back Purchase Price Allocation	**Preliminary**	**Adjustments**	**Final**
Cash and cash equivalents	$ 742.6	$ —	**$ 742.6**
Accounts receivable and other assets	27.0	—	**27.0**
Inventories	115.2	(3.4)	**111.8**
Property, plant and equipment (including mineral interests)	3,527.1	(321.7)	**3,205.4**
Accounts payable and accrued liabilities	(103.4)	2.6	**(100.8)**
Deferred tax liabilities	(752.0)	69.0	**(683.0)**
Provisions	(11.8)	(5.9)	**(17.7)**
Other long-term liabilities	(22.5)	(12.5)	**(35.0)**
Non-controlling interest	(68.8)	(0.1)	**(68.9)**
Goodwill	5,267.0	272.0	**5,539.0**
Total Purchase Price	$ 8,720.4	$ —	**$ 8,720.4**

The goodwill recognized is attributed to the optionality to develop additional higher-cost reserves, to intensify efforts at developing the more promising acquired properties and to reduce efforts at developing the less promising acquired properties in the future, the going concern value of the Company's capacity to replace and augment reserves through completely new discoveries whose value is not reflected in any other valuation, and the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of the assets acquired and liabilities assumed in a business combination. None of the goodwill is expected to be deductible for tax purposes.

During the year ended December 31, 2011, the Company recorded an impairment charge related to the goodwill recognized in the Red Back acquisition. See Note 8.

As a result of reflecting the final purchase price adjustments retrospectively, the consolidated financial statements for the year ended December 31, 2010 have been recast.

The consolidated statements of operations for the year ended December 31, 2011 and 2010 include revenue of $723.2 million and $194.8 million respectively, operating loss of $2,736.6 million and operating earnings of $1.6 million, respectively, for the former Red Back properties.

For the year ended December 31, 2010, production cost of sales and depreciation, amortization and depletion increased by $2.0 million and $17.4 million, respectively; whereas income tax expense, finance expense, and income attributable to non-controlling interests decreased by $5.7 million, $0.1 million, and $1.0 million, respectively. As a result, net earnings attributed to common shareholders decreased by $12.6 million.

As at December 31, 2010, inventories, property, plant and equipment, accounts payable and accrued liabilities,

deferred tax liabilities, and non-controlling interest decreased by $5.4 million, $338.0 million, $2.7 million, $74.7 million, and $0.9 million, respectively; whereas goodwill, provisions, and other long-term liabilities increased by $272.0 million, $7.0 million, and $12.5 million, respectively. As a result, accumulated deficit increased by $12.6 million.

Pro forma Information

Basis of Presentation
The following pro forma results of operations have been prepared as if the Red Back acquisition had occurred at January 1, 2010. The pro forma consolidated financial statement information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Any potential synergies that may be realized and integration costs that may be incurred have been excluded from the pro forma financial statement information, including Red Back transaction costs.

Pro Forma Assumptions and Adjustments
Certain adjustments have been reflected in this pro forma consolidated statement of operations to illustrate the effects of purchase accounting where the impact could be reasonably estimated. The adjustments are as follows:

a) To increase depreciation expense to reflect depreciation of the fair value increment on property, plant and equipment (including mineral interests);
b) To expense exploration costs that had been deferred in accordance with the Company's E&E policy under IFRS;
c) To adjust accretion on asset retirement obligations for the period prior to acquisition to reflect the impact of IFRS; and
d) To record the tax effect of all the above listed adjustments.

	Year ended December 31, 2010
Revenue	$ 3,337.9
Net Earnings	$ 839.9

(iv) Disposition of one-half interest in the Cerro Casale project

On February 17, 2010, the Company executed an agreement to sell one-half of its interest in the Cerro Casale project to Barrick Gold Corporation ("Barrick"). The sale closed on March 31, 2010. The Company received $454.3 million in gross proceeds, before transaction costs, and the transaction resulted in a gain of $78.1 million, before taxes. Additionally, as part of the agreement, Barrick assumed $20.0 million of a $40.0 million payment obligation contingent upon a production decision on the project.

Subsequent to the disposition, the Company continues to hold a 25% interest in the project and the investment is accounted for under the equity method. Refer to Note 10.

(v) Acquisition of Underworld

On April 26, 2010, the Company acquired 81.6% of the issued and outstanding shares of Underworld, on a fully diluted basis, by way of a friendly take-over bid. On June 30, 2010, the Company acquired the remaining outstanding shares of Underworld it did not already own, and on July 6, 2010 the shares of Underworld were delisted. Pursuant to the acquisition approximately 6.5 million Kinross shares and approximately 0.4 million Kinross options were issued. The total transaction was valued at $126.5 million, including transaction costs. This amount was added to the cost of a previously owned investment of $3.5 million, resulting in a total cost of $130.0 million. The acquisition was accounted for as an asset acquisition.

During the second quarter of 2010, the investment in Underworld was re-classified from available-for-sale investments due to the acquisition of control of Underworld. As of April 26, 2010, the financial statements of Underworld are being consolidated with those of Kinross.

(vi) Sale of interest in Harry Winston

On July 23, 2010, the Company entered into an agreement to sell its approximate 19.9% equity interest in Harry Winston, consisting of 15.2 million Harry Winston common shares, to a group of financial institutions, on an underwritten block trade basis for net proceeds of $185.6 million. The sale was completed on July 28, 2010 and resulted in a gain of $146.4 million.

(vii) Sale of interest in Diavik

On August 25, 2010, the Company completed the sale of its 22.5% interest in the partnership holding Harry Winston's 40% interest in Diavik to Harry Winston for final net proceeds of $189.6 million. The purchase price was comprised of $50.0 million cash, approximately 7.1 million Harry Winston common shares with a value of $69.7 million based on the share price on the closing date, and a note receivable in the amount of $70.0 million maturing on August 25, 2011. The note bore interest at a rate of 5% per annum and could have been satisfied in cash or, subject to certain limitations, shares issued by Harry Winston to Kinross. The sale resulted in a gain of $95.5 million.

The note receivable from Harry Winston was repaid in cash upon maturity on August 25, 2011. Refer to Note 7(ii).

(viii) Acquisition of the Dvoinoye deposit and the Vodorazdelnaya property

On August 27, 2010, the Company completed the acquisition of 100% of the participatory interests in Northern Gold LLC and Regionruda LLC, the owners of the Dvoinoye and Vodorazdelnaya exploration and mining licenses, both located approximately 90 km north of Kinross' Kupol operation in the Chukotka region of the Russian Far East. The purchase price of $346.8 million was comprised of $167.0 million in cash and 10.6 million Kinross shares,

which were subject to a minimum hold period of four months after closing, and transaction costs of $5.9 million. This acquisition was accounted for as an asset acquisition.

(ix) Acquisition of B2Gold Corp's interest in Kupol exploration licenses

On August 27, 2010, the Company closed an agreement with B2Gold Corp ("B2Gold") to acquire B2Gold's right to an interest in the Kupol East and West exploration licence areas. Under the terms of a previous agreement, Kinross had undertaken to secure a 37.5% joint venture interest for B2Gold in the Kupol East and West exploration licence areas. According to the new agreement, Kinross was no longer obligated to enter into joint venture arrangements with B2Gold in respect of Kinross' interest in these licence areas. The purchase price comprised: $33.0 million in cash; contingent payments based on National Instrument 43-101 qualified Proven and Probable Reserves within the licence areas at the subject properties, should such reserves be declared in future; and payments based on net smelter returns of 1.5% from any future production at the licence areas. This acquisition was accounted for as an asset acquisition.

(x) Sale of interest in Osisko

On December 13, 2010, the Company completed the sale of its 1.8% interest in Osisko Mining Corporation ("Osisko"), consisting of approximately 6.8 million Osisko common shares, which was accounted for as an available-for-sale investment. The sale was completed on an underwritten block trade basis, at a gross price of CDN$14.70 per share, for net proceeds of $97.5 million. The transaction resulted in a gain of $74.1 million.

7. Consolidated financial statement details

Consolidated Balance Sheets

i. Cash and cash equivalents:

	December 31, 2011	December 31, 2010	January 1, 2010
Cash on hand and balances with banks	**$ 761.3**	$ 873.3	$ 352.8
Short-term deposits	**1,004.7**	593.3	244.6
	$ 1,766.0	$ 1,466.6	$ 597.4

Restricted cash:

	December 31, 2011 (a)	December 31, 2010	January 1, 2010
Restricted cash	**$ 62.1**	$ 2.1	$ 24.3

(a) Restricted cash relates to restricted payments for the Kupol project financing (see Note 13 (v)), loan escrow judicial deposits and letters of guarantee for default protection and environmental indemnity.

ii. Accounts receivable and other assets:

	December 31, 2011	December 31, 2010	January 1, 2010
Trade receivables	**$ 20.2**	$ 24.3	$ 9.9
Taxes recoverable	**70.0**	14.7	6.2
Prepaid expenses	**48.8**	45.0	26.7
VAT receivable	**115.3**	119.6	61.0
Note receivable(a)	**—**	70.0	—
Other	**55.1**	55.8	31.7
	$ 309.4	$ 329.4	$ 135.5

(a) The note receivable from Harry Winston was repaid in cash upon maturity on August 25, 2011.

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010
(Tabular amounts in millions of United States dollars)

iii. Inventories:

	December 31, 2011	December 31, 2010	January 1, 2010
Ore in stockpiles(a)	**$ 146.6**	$ 144.3	$ 120.5
Ore on leach pads (b)	**220.8**	113.3	44.3

In-process	**35.3**	38.9	26.1
Finished metal	**108.3**	81.1	80.6
Materials and supplies	**562.2**	457.2	395.1
	1,073.2	834.8	666.6
Long-term portion of ore in stockpiles and ore on leach pads (a),(b)	**(97.0)**	(103.2)	(112.2)
	$ 976.2	$ 731.6	$ 554.4

(a) Ore in stockpiles relates to the Company's operating mines. Ore in stockpiles includes low-grade material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the consolidated balance sheet. See deferred charges and other long-term assets, Note 7 (viii).

(b) Ore on leach pads relates to the Company's Maricunga, Tasiast, Fort Knox, and 50% owned Round Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Maricunga in 2027, Tasiast in 2020, Fort Knox in 2020, and 50% owned Round Mountain in 2019. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the consolidated balance sheet. See deferred charges and other long-term assets, Note 7(viii).

iv. Property, plant and equipment:

		Mineral Interests (b)		
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2011 (c)	$ 3,236.3	$ 6,426.5	$ 527.5	$ 10,190.3
Additions	1,052.3	586.6	11.9	1,650.8
Acquisitions	—	—	3.8	3.8
Capitalized interest	7.3	19.2	—	26.5
Disposals	(64.2)	(8.7)	(0.4)	(73.3)
Transfers	—	369.6	(369.6)	—
Other	2.5	(3.5)	(3.2)	(4.2)
Balance at December 31, 2011	4,234.2	7,389.7	170.0	11,793.9
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2011 (c)	$ (1,315.2)	$ (990.5)	$ —	$ (2,305.7)
Depreciation, depletion and amortization	(257.9)	(330.3)	—	(588.2)
Disposals	55.3	10.5	—	65.8
Other	(0.3)	(6.1)	—	(6.4)
Balance at December 31, 2011	(1,518.1)	(1,316.4)	—	(2,834.5)
Net book value	$ 2,716.1	$ 6,073.3	$ 170.0	$ 8,959.4
Amount included in above as at December 31, 2011:				
Assets under construction	$ 1,012.6	$ 549.7	$ —	$ 1,562.3
Net book value of finance leases	$ 12.8	$ —	$ —	$ 12.8
Assets not being depreciated (a)	$ 1,118.6	$ 2,379.6	$ 170.0	$ 3,668.2

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At December 31, 2011 the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Crixás, Kupol, Dvoinoye, Kettle River-Buckhorn, Tasiast, Chirano, Fruta del Norte, and Lobo-Marte. Included in pre-development properties is White Gold. Dvoinoye was transferred from pre-development properties to development and operating properties upon the declaration of proven and probable reserves as at the end of 2011.

(c) The balance at January 1, 2011 has been recast as a result of finalizing the Red Back purchase price allocation. See Note 6(iii).

		Mineral Interests(b)		
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				

Balance at January 1, 2010	$ 2,538.3	$ 2,411.6	$ 1,364.3	$ 6,314.2
Additions	352.8	315.0	49.2	717.0
Acquisitions(c)	353.5	2,866.6	491.4	3,711.5
Capitalized interest	—	1.1	—	1.1
Disposals	(9.9)	—	(545.2)	(555.1)
Transfers	—	832.2	(832.2)	—
Other	1.6	—	—	1.6
Balance at December 31, 2010(c)	$ 3,236.3	$ 6,426.5	$ 527.5	$ 10,190.3
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2010	$ (1,101.3)	$ (376.2)	$ —	$ (1,477.5)
Depreciation, depletion and amortization(c)	(208.7)	(334.6)	—	(543.3)
Impairment loss (d)	—	—	(290.7)	(290.7)
Disposals	6.5	—	—	6.5
Transfers	—	(290.7)	290.7	—
Other	(11.7)	11.0	—	(0.7)
Balance at December 31, 2010(c)	$ (1,315.2)	$ (990.5)	$ —	$ (2,305.7)
Net book value (c)	$ 1,921.1	$ 5,436.0	$ 527.5	$ 7,884.6
Amount included in above:				
Assets under construction				
January 1, 2010	$ 614.3	$ 79.8	$ —	$ 694.1
December 31, 2010	$ 431.6	$ 116.2	$ —	$ 547.8
Net book value of Finance leases				
January 1, 2010	$ 32.1	$ —	$ —	$ 32.1
December 31, 2010	$ 23.3	$ —	$ —	$ 23.3
Assets not being depreciated (a)				
January 1, 2010	$ 632.6	$ 453.6	$ 1,364.3	$ 2,450.5
December 31, 2010(c)	$ 528.4	$ 1,937.3	$ 527.5	$ 2,993.2

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At December 31, 2010, the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Crixás, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, Lobo-Marte, and Fruta del Norte. The significant pre-development properties include Dvoinoye and White Gold. Fruta del Norte was classified within pre-development properties at January 1, 2010 and was transferred to development and operating properties as at the end of 2010.

(c) Balances have been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).

(d) As at December 31, 2010, the Company determined that the recoverable amount determined as the fair value less costs to sell of Fruta del Norte was less than its carrying amount.

Land, plant and equipment with a carrying amount of $204.8 million are pledged as security as part of the Kupol project financing. See Note 13(v).

Capitalized interest relates to capital expenditures at Fort Knox, Kettle River, Round Mountain, Maricunga, La

Coipa, Lobo-Marte, Fruta del Norte, Kupol, Dvoinoye, Chirano and Tasiast and had a weighted average rate of 7.50% and 9.46% during the years ended December 31, 2011 and 2010, respectively.

At December 31, 2011, $923.9 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2010 - $1,204.1 million). During the year ended December 31, 2011, the Company acquired $3.8 million of E&E assets, capitalized $89.2 million in E&E costs and transferred $369.6 million from E&E assets to capitalized development. The Company did not recognize any property, plant and equipment impairment related to E&E assets as at December 31, 2011 (December 31, 2010 - $290.7 million).

During the year ended December 31, 2010, the Company acquired $1,168.0 million of E&E assets, capitalized $49.2 million in other E&E costs and transferred $541.5 million from E&E assets to capitalized development.

During the year ended December 31, 2011, the Company expensed $18.8 million (year ended December 31, 2010 — $23.6 million) of exploration and evaluation expenditures, and had cash expenditures for exploration and evaluation included in operating and investing cash flows of $18.8 million and $89.2 million, respectively (year ended December 31, 2010 — $23.6 million and $45.5 million, respectively).

The following table shows capitalized stripping costs included in development and operating properties for the years ended December 31, 2011 and 2010:

	December 31, 2011							**December 31, 2010**				
	Round Mountain	**Fort Knox**	**La Coipa**	**Maricunga**	**Chirano**	**Tasiast**	**Total**	**Round Mountain**	**Fort Knox**	**Maricunga**	**Chirano**	**Total**
Balance, at January 1	**$ 78.2**	**$ 58.9**	**$ —**	**$ 5.8**	**$ 2.4**	**$ —**	**$ 145.3**	$ 67.9	$ 50.0	$ —	$ —	$ 117.9
Additions	**11.1**	**49.8**	**48.7**	**49.7**	**14.5**	**38.0**	**211.8**	18.8	34.0	5.8	2.4	61.0
Amortization	**(14.9)**	**(11.5)**	**(1.2)**	**(1.4)**	**(3.9)**	**(0.3)**	**(33.2)**	(8.5)	(25.1)	—	—	(33.6)

Balance at end of period	**$ 74.4**	**$ 97.2**	**$ 47.5**	**$ 54.1**	**$ 13.0**	**$ 37.7**	**$ 323.9**	$ 78.2	$ 58.9	$ 5.8	$ 2.4	$ 145.3

v. Goodwill:

The Goodwill allocated to the Company's CGUs and included in the respective operating segment assets is shown in the table below:

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás	Tasiast(e)	Chirano(e)	Other Operations (b)	Total
Cost											
Balance at January 1, 2011	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ 4,620.4	$ 918.6	$ 282.2	$ 7,647.0
Acquisitions	—	—	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2011	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ 4,620.4	$ 918.6	$ 282.2	$ 7,647.0
Accumulated impairment											
Balance at January 1, 2011	$ (87.2)	$ (99.4)	$ (65.9)	$ —	$ (668.4)	$ (220.2)	$ (42.5)	$ —	$ —	$ (105.5)	$ (1,289.1)
Impairment loss (a)	—	—	—	—	—	—	—	(2,490.1)	(447.5)	—	(2,937.6)
Disposals	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2011	$ (87.2)	$ (99.4)	$ (65.9)	$ —	$ (668.4)	$ (220.2)	$ (42.5)	$ (2,490.1)	$ (447.5)	$ (105.5)	$ (4,226.7)
Carrying amount	$ 58.7	$ 65.5	$ 124.4	$ 20.9	$ 158.8	$ 175.9	$ 38.0	$ 2,130.3	$ 471.1	$ 176.7	$ 3,420.3

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás	Tasiast(e)	Chirano (e)	Other Operations(c)(d)	Total
Cost											
Balance at January 1, 2010	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ —	$ —	$ 643.2	$ 2,469.0
Acquisitions (e)	—	—	—	—	—	—	—	—	—	5,267.0	5,267.0
Purchase price allocation(e)	—	—	—	—	—	—	—	4,620.4	918.6	(5,267.0)	272.0
Disposals (d)	—	—	—	—	—	—	—	—	—	(361.0)	(361.0)
Balance at December 31, 2010	$ 145.9	$ 164.9	$ 190.3	$ 20.9	$ 827.2	$ 396.1	$ 80.5	$ 4,620.4	$ 918.6	$ 282.2	$ 7,647.0
Accumulated impairment											
Balance at January 1, 2010	$ (87.2)	$ (99.4)	$ (65.9)	$ —	$ (668.4)	$ (220.2)	$ (42.5)	$ —	$ —	$ (105.5)	$ (1,289.1)
Impairment loss	—	—	—	—	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—	—	—	—
Balance at December 31, 2010	$ (87.2)	$ (99.4)	$ (65.9)	$ —	$ (668.4)	$ (220.2)	$ (42.5)	$ —	$ —	$ (105.5)	$ (1,289.1)
Carrying amount	$ 58.7	$ 65.5	$ 124.4	$ 20.9	$ 158.8	$ 175.9	$ 38.0	$ 4,620.4	$ 918.6	$ 176.7	$ 6,357.9

(a) In 2011, as part of the annual impairment test for goodwill, using the methodology described in note 3(ix), it was determined that the carrying amounts of goodwill at Tasiast and Chirano, exceeded their recoverable amounts. See Note 8.

(b) At December 31, 2011, other operations includes goodwill related to Quebrada Seca with a carrying amount of $168.8 million and Jiboia with a carrying amount of $7.9 million.

(c) At January 1, 2010, other operations includes goodwill related to Quebrada Seca with a carrying amount of $168.8 million, Jiboia with a carrying amount of $7.9 million, and Cerro Casale with a carrying amount of $361.0 million.

(d) On March 31, 2010, the Company disposed of one-half of its interest in the Cerro Casale project. As a result, goodwill was reduced by $361.0 million which represents the entire goodwill previously allocated to Cerro Casale as the Company continues to retain a 25% interest in the project, one-half of the goodwill balance previously allocated, amounting to $180.5 million, now forms part of the carrying value of the investment in the Cerro Casale project.

(e) On September 17, 2010, the Company acquired all of the outstanding common shares of Red Back that it did not previously own. Until the finalization of the purchase price allocation, preliminary goodwill was recorded in other operations. At June 30, 2011, the goodwill determined in the final purchase price allocation of $5,539.0 million was allocated among the Tasiast and Chirano properties. See Note 6(iii).

vi. Long-term investments:

Unrealized gains and losses on investments classified as available-for-sale investments are recorded in OCI as follows:

	December 31, 2011		December 31, 2010		January 1, 2010	
	Fair Value	Gains (losses) in AOCI	Fair Value	Gains (losses) in AOCI	Fair Value	Gains (losses) in AOCI
Securities in an unrealized gain position	**$ 46.5**	**$ 26.9**	$ 203.3	$ 71.9	$ 115.1	$ 50.4
Securities in an unrealized loss position	**32.9**	**(22.9)**	0.5	(0.8)	42.7	(4.9)
	$ 79.4	**$ 4.0**	$ 203.8	$ 71.1	$ 157.8	$ 45.5

vii. Accounts payable and accrued liabilities:

	December 31, 2011	December 31, 2010	January 1, 2010
Trade payables	**$ 151.0**	$ 150.6	$ 92.5
Accrued liabilities	**353.3**	203.9	150.9
Employee related accrued liabilities	**71.0**	54.5	44.2
	$ 575.3	$ 409.0	$ 287.6

viii. Deferred charges and other long-term assets:

	December 31, 2011	December 31, 2010	January 1, 2010
Long-term ore in stockpiles and on leach pads (a)	**$ 97.0**	$ 103.2	$ 112.2
Deferred charges, net of amortization	**7.3**	0.9	1.3
Long-term receivables	**97.4**	52.7	42.8

Advances on the purchase of capital equipment	**178.2**	23.2	—
Other	**26.5**	24.6	2.1
	$ 406.4	$ 204.6	$ 158.4

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. Long-term ore in stockpiles is at the Company's Fort Knox, Kupol, and Paracatu mines. Long-term ore on leach pads is at the Company's 50% owned Round Mountain mine.

ix. Non-controlling interest:

	Kupol(b)	Chirano (c)	Total
Balance at January 1, 2010	**$ 128.6**	**$ —**	**$ 128.6**
Addition upon acquisition	**—**	**68.9**	**68.9**
Share of net earnings	**110.2**	**2.2**	**112.4**
Dividends paid	**(47.7)**	**—**	**(47.7)**
Balance at December 31, 2010 (a)	**$ 191.1**	**$ 71.1**	**$ 262.2**
Share of net earnings	**51.4**	**9.2**	**60.6**
Dividends paid	**—**	**—**	**—**
Acquisition of CMGC 25% non-controlling interest(b)	**(242.5)**	**—**	**(242.5)**
Balance at December 31, 2011	**$ —**	**$ 80.3**	**$ 80.3**

(a) Amount has been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).
(b) Represents non-controlling interest in CMGC. On April 27, 2011, Kinross acquired the remaining 25% of CMGC and thereby increased its ownership to 100%. See Note 6(ii).
(c) Represents non-controlling interest in Chirano Gold Mines Limited.

Consolidated Statements of Operations

x. Other income — net:

	Year ended December 31, 2011	2010
Gain on acquisition/disposition of assets and investments - net	**$ 24.8**	$ 599.2
Transaction costs on acquisition of Red Back	**—**	(41.5)
Foreign exchange gains (losses)	**12.0**	(0.2)
Net non-hedge derivative gains	**59.1**	55.9
Working Interest in Diavik Diamond mine	**—**	(2.4)
Other	**5.9**	3.3
	$ 101.8	$ 614.3

xi. Gain (loss) on acquisition/disposition of assets and investments — net:

	Year ended December 31, 2011	2010
Assets:		
Cerro Casale (a)	**$ —**	$ 78.1
Investments:		
Harry Winston (b)	**30.9**	146.4
Working Interest in Diavik Diamond mine (c)	**—**	95.5
Gain on Red Back shares owned prior to acquisition	**—**	209.3
Osisko Mining (d)	**—**	74.1
Other investments	**(0.8)**	(4.2)
Other assets	**(5.3)**	—
	$ 24.8	$ 599.2

(a) On March 31, 2010, the Company sold one-half of its interest in Cerro Casale. See Note 6(iv).
(b) On March 23, 2011, the Company sold its remaining interest in Harry Winston. See Note 6(i).

(c) *On August 25, 2010, the Company disposed of its Working Interest in Diavik. See Note 6(vii).*

(d) *On December 13, 2010, the Company sold its 1.8% interest in Osisko. See Note 6(x).*

xii. Equity in gains (losses) of associates:

	Year ended December 31,	
	2011	2010
Cerro Casale(a)	$ (2.3)	$ 0.2
Harry Winston Diamond Corporation(b)	—	(2.1)
	$ (2.3)	$ (1.9)

(a) *On March 31, 2010, the Company sold one-half of its interest in Cerro Casale. Subsequent to the disposition, the Company continues to hold a 25% interest in the project and the investment is accounted for under the equity method.*

(b) *On July 28, 2010, the Company sold its original investment in Harry Winston. See Note 6(vi).*

xiii. Finance expense:

	Year ended December 31,	
	2011	2010
Accretion on reclamation and remediation obligation	$ 21.4	$ 13.7
Interest expense (a)	44.7	48.5
	$ 66.1	$ 62.2

(a) *During the years ended December 31, 2011 and 2010, $26.5 million and $1.1 million of interest was capitalized to property, plant and equipment, respectively. See Note 7(iv).*

xiv. Employee benefits expenses:

The following employee benefits expenses are included in production cost of sales, general and administrative, and exploration and business development expenses:

	Year ended December 31,	
	2011	2010
Salaries, short term incentives, and other benefits	$ 450.0	$ 333.8
Share-based payments	36.5	32.5
Other	67.3	58.2
	$ 553.8	$ 424.5

Consolidated Statements of Equity

xv. Accumulated other comprehensive income (loss):

	Investments(a)	Financial derivatives(b)	Total
Balance at January 1, 2010	$ 45.5	$ (263.9)	$ (218.4)
Other comprehensive income before tax	29.6	13.2	42.8
Tax	(4.0)	0.3	(3.7)
Balance at December 31, 2010	$ 71.1	$ (250.4)	$ (179.3)
Other comprehensive income (loss) before tax	(71.3)	118.7	47.4
Tax	4.2	30.0	34.2
Balance at December 31, 2011	$ 4.0	$ (101.7)	$ (97.7)

(a) *Balance at January 1, 2010 net of tax of $4.0 million*

(b) *Balance at January 1, 2010 net of tax of $9.6 million*

8. Impairment

During the year ended December 31, 2011, the Company recorded goodwill impairment charges of $2,490.1 million and $447.5 million at its Tasiast and

Chirano CGUs, respectively, which were recorded within cost of sales in the consolidated statement of operations. The impairment charges were a result of changes in market conditions, including industry-wide increases in capital and operating costs, a decline in industry-wide valuations as at year-end and the Company's growing understanding of the Tasiast project parameters, including its analysis of a draft mine plan.

During 2010, the Company recorded an impairment charge of $290.7 million related to property, plant and equipment at Fruta del Norte, which is included in the exploration and business development expense. As at December 31, 2010, Fruta del Norte was reclassified into the development and operating properties category upon declaration of proven and probable reserves. There was no goodwill impairment in the year ended December 31, 2010.

Key assumptions and sensitivity

The key assumptions used in determining the recoverable amount (fair value less costs to sell) for each CGU are long-term commodity prices, discount rates, cash costs of production, capital expenditures, foreign exchange rates, and NAV multiples. The Company performed a sensitivity analysis on all key assumptions and determined that, other than as disclosed below, no reasonably possible change in any of the key assumptions would cause the carrying value of any CGU carrying goodwill to exceed its recoverable amount.

As at December 31, 2011, the recoverable amounts for the Tasiast and Chirano CGUs are equal to their carrying amounts, after giving effect to the goodwill impairment charges noted above. As at December 31, 2010, the recoverable amounts for Tasiast and Chirano are equal to their carrying amounts as they were recorded at fair value in the acquisition of Red Back on September 17, 2010 and their recoverable amounts did not change in the period from September 17, 2010 to December 31, 2010.

At December 31, 2011, the estimated recoverable amounts for the Round Mountain, Paracatu, and Maricunga CGUs exceed their carrying amounts by approximately $145 million, $970 million, and $271 million, respectively (December 31, 2010 - $379 million, $2,342 million, and $147 million, respectively).

The table below shows the amount by which certain key assumptions would be required to change, in isolation, in order for the estimated recoverable amount to equal the carrying amount for each of the Round Mountain, Paracatu, and Maricunga CGUs.

	Percentage increase (decrease) required for recoverable amount to equal carrying value					
	December 31, 2011			December 31, 2010		
Key assumptions	Round Mountain	Paracatu	Maricunga	Round Mountain	Paracatu	Maricunga
Long-term gold price(a)	-34%	-18%	-10%	-30%	-30%	-10%
LOM production cash costs per ounce(b)	22%	21%	9%	45%	36%	7%

(a) See Note 3(ix) for long term gold prices.

(b) LOM production cash costs per ounce range from $757 to $879 for Round Mountain, Paracatu, and Maricunga in 2011 and $491 to $689 in 2010.

In addition, at December 31, 2011, the LOM total capital expenditures would be required to increase by 35% (December 31, 2010 – 19%), in isolation, in order for the recoverable amount of the Maricunga CGU to equal its carrying amount.

However, the Company believes that adverse changes in any of the key assumptions would have associated impacts on certain other inputs into the long-term LOM plans, which may offset, to a certain extent, the impact of the adverse change.

9. Joint venture interests

The Company conducts a portion of its business through joint ventures where the venturers are bound by contractual arrangements establishing joint control over the ventures. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint ventures.

As at December 31, 2011, the Company had a joint venture interest in Round Mountain and Crixás.

The following table contains selected financial information on Kinross' consolidated share of participation for each of its participating operating joint ventures for the years ended December 31, 2011 and 2010.

As at and for the year ended December 31, 2011	Round Mountain (i)	Crixás (ii)	Total
Metal sales	$ 295.0	$ 100.8	$ 395.8
Production cost of sales	(129.2)	(50.3)	(179.5)
Depreciation, depletion and amortization	(28.7)	(13.3)	(42.0)

Exploration and business development	(0.6)	(1.9)	(2.5)
Other	(0.9)	(2.3)	(3.2)
Operating earnings	$ 135.6	$ 33.0	$ 168.6
Current assets	$ 38.3	$ 27.0	$ 65.3
Property, plant and equipment	203.4	94.9	298.3
Goodwill	58.7	38.0	96.7
Deferred charges and other long-term assets	11.4	3.3	14.7
	$ 311.8	$ 163.2	$ 475.0
Current liabilities	22.3	24.0	46.3
Non-current liabilities	44.0	28.6	72.6
	$ 66.3	$ 52.6	$ 118.9
Net investment in joint ventures	$ 245.5	$ 110.6	$ 356.1

As at and for the year ended December 31, 2010	Round Mountain (i)	Crixás (ii)	Total
Metal sales	$ 227.5	$ 94.7	$ 322.2
Production cost of sales	(115.4)	(37.5)	(152.9)
Depreciation, depletion and amortization	(20.0)	(18.1)	(38.1)
Exploration and business development	(0.7)	(0.1)	(0.8)
Other	0.3	(0.3)	—
Operating earnings	$ 91.7	$ 38.7	$ 130.4
Current assets	$ 38.0	$ 29.8	$ 67.8
Property, plant and equipment	177.7	79.6	257.3
Goodwill	58.7	38.0	96.7
Deferred charges and other long-term assets	11.4	2.6	14.0
	$ 285.8	$ 150.0	$ 435.8
Current liabilities	20.1	24.5	44.6
Non-current liabilities	39.7	16.6	56.3
	$ 59.8	$ 41.1	$ 100.9
Net investment in joint ventures	$ 226.0	$ 108.9	$ 334.9

Contingent liabilities and capital commitments related to these joint ventures are included in Note 20.

(i) Round Mountain

The Company owns a 50% interest in the Smoky Valley Common Operation joint venture, which owns the Round Mountain mine, located in Nye County, Nevada, U.S.A. Under the joint venture agreement between the Company and Barrick, the Company is the operator.

The Management Committee of the joint venture represents the joint venture partners, authorizes annual programs and budgets and approves major transactions prior to execution by site management. The joint venture owners are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested.

(ii) Crixás

The Company owns a 50% interest in Mineração Serra Grande, S.A. ("MSG"), which owns the Crixás mine, located in central Brazil. Under the joint venture agreement, a wholly owned subsidiary of AngloGold Ashanti Limited is the operator.

The Board of Directors of MSG approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required.

10. Investments in associates and Working Interest

The carrying values of the Company's investments in associates as at December 31, 2011, December 31, 2010 and the transition date are as follows:

	December 31, 2011	December 31, 2010	January 1, 2010
Carrying Values			
Cerro Casale (a)	**$ 502.5**	$ 467.5	$ —
Harry Winston Diamond Corporation	**—**	—	41.3
Working interest in Diavik	**—**	—	109.4
	$ 502.5	$ 467.5	$ 150.7

(a) At January 1, 2010, Cerro Casale was accounted for as a joint venture.

There are no publicly quoted market prices for Cerro Casale or for Diavik. The market value of the Company's investment in Harry Winston at January 1, 2010 was $146.0 million.

Contingent liabilities related to investments in associates are included in Note 20.

The following table contains summarized financial information for the Company's investments in associates and Working Interest:

	December 31, 2011	December 31, 2010	January 1, 2010
Balance Sheets			
Current assets	**$ 15.8**	$ 1.3	$ 441.9
Non-current assets	**272.5**	186.4	1,052.9
	288.3	187.7	1,494.8
Current liabilities	**22.3**	22.2	157.4
Non-current liabilities	**0.1**	0.7	476.8
	22.4	22.9	634.2
Net assets	**$ 265.9**	$ 164.8	$ 860.6

	Year ended December 31, 2011	2010
Statements of operations		
Revenue	**$ —**	$ 247.7
Other income and (expenses)	**(11.4)**	(254.6)
Income tax recovery (expense)	**2.3**	(0.3)
Net earnings (loss)	**$ (9.1)**	$ (7.2)

Cerro Casale

At January 1, 2010, the Company had a 50% joint venture interest in the Cerro Casale project. On March 31, 2010, the Company sold one-half of its interest to Barrick, its joint venture partner. Subsequent to the disposition, the Company continues to hold a 25% interest in the project as an investment in associate.

Harry Winston

At the transition date, the Company's investment in Harry Winston was accounted for as an investment in associate. On July 23, 2010, Kinross sold its approximate 19.9% equity interest in Harry Winston.

Working Interest in Diavik Diamond mine

At the transition date, the Company held a 22.5% interest in the partnership holding Harry Winston's 40% interest in the Diavik Diamond Mines joint venture. On August 25, 2010, the Company sold its interest to Harry Winston.

11. Financial Instruments

i. Fair values of financial instruments

Carrying values for primary financial instruments, including cash and cash equivalents, short-term investments and accounts receivable, accounts payable and accrued liabilities, approximate fair values due to their short-term maturities.

Fair value estimates for derivative contracts are based on quoted market prices for comparable contracts and represent the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at the balance sheet date.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets (liabilities) measured at fair value on a recurring basis as at December 31, 2011 include:

	Level 1	Level 2	Level 3	Aggregate Fair Vale
Available-for-sale investments	**$ 79.4**	**$ —**	**$ —**	**$ 79.4**
Embedded derivatives	**(18.6)**	**(2.6)**	**—**	**(21.2)**
Derivative instruments	**—**	**(74.3)**	**—**	**(74.3)**
	$ 60.8	**$ (76.9)**	**$ —**	**$ (16.1)**

The valuation techniques that are used to measure fair value are as follows:

Available-for-sale investments:

The fair value of available-for-sale investments is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale investments are classified within Level 1 of the fair value hierarchy.

Embedded derivatives:

The Company determines the fair value of the embedded derivative related to its Canadian dollar denominated common share purchase warrants based on the closing price that is a quoted market price obtained from the exchange that is the principal active market for the warrants, and therefore is classified within Level 1 of the fair value hierarchy.

The Company determines the fair value of the embedded derivative related to the conversion options on its convertible notes based on pricing models which use a number of observable market-determined variables. These embedded derivatives are classified within Level 2 of the fair value hierarchy.

Derivative instruments:

The fair value of derivative instruments is based on quoted market prices for comparable contracts and represents the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at the balance sheet dates and therefore derivative instruments are classified within Level 2 of the fair value hierarchy.

ii. **Derivative instruments**

	December 31, 2011		December 31, 2010		January 1, 2010	
	Asset/ (Liability) Fair Value	AOCI	Asset/ (Liability) Fair Value	AOCI	Asset/ (Liability) Fair Value	AOCI
Interest rate contract						
Interest rate swap (i)	**$ (0.1)**	**$ —**	$ (4.4)	$ (0.3)	$ (8.3)	$ (6.7)
Currency contracts						
Foreign currency forward contracts(b) (ii)	**(75.1)**	**(54.4)**	55.0	39.9	38.1	27.2
Commodity contracts						
Gold and silver forward contracts(a) (iii)	**—**	**(48.6)**	(333.7)	(291.3)	(332.8)	(285.3)
Gold contract related to Julietta sale	**—**	**—**	—	—	4.3	—
Energy forward contracts(c) (iv)	**1.6**	**1.3**	1.7	1.3	1.3	0.9
Other contracts						
Total return swap (v)	**(0.7)**	**—**	—	—	(0.2)	—
	$ 0.9	**$ (47.3)**	$ (332.0)	$ (290.0)	$ (327.4)	$ (284.4)
Canadian dollar denominated common share purchase warrants liability (vi)	**(18.6)**	**—**	(48.4)	—	(83.6)	—
Senior convertible notes - conversion option (vii)	**(2.6)**	**—**	(38.9)	—	(77.2)	—
Total all contracts	**$ (95.5)**	**$ (101.7)**	$ (368.7)	$ (250.4)	$ (458.4)	$ (263.9)
Unrealized fair value of derivative assets						
Current	**2.8**		133.4		44.3	
Non-current	**1.1**		2.6		1.9	
	$ 3.9		$ 136.0		$ 46.2	
Unrealized fair value of derivative liabilities						
Current	**(66.7)**		(407.7)		(214.6)	
Non-current	**(32.7)**		(97.0)		(290.0)	
	$ (99.4)		$ (504.7)		$ (504.6)	
Total net fair value	**$ (95.5)**		$ (368.7)		$ (458.4)	

(a) Of the total amount recorded in AOCI, $48.6 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.
(b) Of the total amount recorded in AOCI, $32.9 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.
(c) Of the total amount recorded in AOCI, $(0.5) million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(i) **Interest rate contracts**

Acquired with the acquisition of Bema was an interest rate swap whereby the Company paid a fixed rate of 4.4975% and received a floating interest rate on a principal amount that varied from $4.2 million to $140.0 million, and an interest rate cap and floor whereby the Company paid a maximum rate of 6.37% and a minimum of 4.75% on a principal amount that varied from $3.7 million to $70.0 million. These contracts were closed out and early settled in August 2011. The fair market value of the interest rate swap was a liability of $2.1 million and $4.3 million at December 31, 2010 and January 1, 2010, respectively. The fair value of the interest rate cap and floor was a liability of $1.9 million and $2.8 million at December 31, 2010 and January 1, 2010, respectively.

During 2008, the Company entered into an interest rate swap in order to fix the interest rates on 50% of the term loan for Paracatu. Under the contract, Kinross Brasil Mineração S.A. ("KBM"), a wholly-owned subsidiary of the Company, will pay a rate of 3.83% and receive LIBOR plus 1%. As at December 31, 2011, the fair value was a liability of $0.1 million (December 31, 2010 – $0.5 million, January 1, 2010 – $1.2 million).

(ii) **Foreign currency forward contracts**

The following table provides a summary of foreign currency forward contracts outstanding at December 31, 2011, maturing in:

	2012	2013	2014	Total
Foreign currency				
Brazilian real forward buy contracts (in millions of U.S. dollars)	437.4	158.0	88.5	683.9
Average price	1.83	1.92	2.13	1.89
Chilean peso forward buy contracts (in millions of U.S. dollars)	210.0	72.0	66.0	348.0
Average price	492.86	522.59	553.44	510.50
Russian rouble forward buy contracts (in millions of U.S. dollars)	110.4	48.0	18.0	176.4
Average price	32.38	32.05	34.84	32.54
Canadian dollar forward buy contracts (in millions of U.S. dollars)	99.8	24.0	—	123.8
Average price	1.00	1.00	—	1.00

During 2011, the following new forward buy derivative contracts were engaged:

- $627.9 million at an average rate of 1.88 Brazilian real, with maturities in 2012, 2013 and 2014;
- $390.0 million at an average rate of 509.09 Chilean pesos, with maturities in 2011, 2012, 2013 and 2014;
- $128.4 million at an average rate of 32.33 Russian roubles, with maturities in 2012, 2013 and 2014; and
- $145.8 million at an average rate of 1.00 Canadian dollars, with maturities in 2011, 2012 and 2013.

At December 31, 2011, the unrealized gain or loss on the derivative contracts recorded in AOCI is as follows:

- Brazilian real forward buy contracts – unrealized loss of $29.8 million (December 31, 2010 – $23.1 million gain, January 1, 2010 – $15.2 million gain)
- Chilean peso forward buy contracts - unrealized loss of $16.0 million (December 31, 2010 – $10.1 million gain, January 1, 2010 – $7.6 million gain);
- Russian rouble forward buy contracts – unrealized loss of $6.4 million (December 31, 2010 – $2.2 million gain, January 1, 2010 – $4.3 million gain); and
- Canadian dollar forward buy contracts – unrealized loss of $2.2 million (December 31, 2010 – $4.2 million gain, January 1, 2010 – $0.1 million gain).

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010
(Tabular amounts in millions of United States dollars)

(iii) **Gold and silver forward contracts**

The Company had gold and silver derivative instruments acquired with the Bema acquisition, primarily related to Kupol financing requirements, which the Company closed out and early settled in the third quarter of 2011.

During the year ended December 31, 2011, the Company entered into gold forward purchase contracts as follows:

- 40,665 ounces of gold at an average price of $1,364 per ounce which mature in 2011; and
- 36,380 ounces of gold at an average price of $1,363 per ounce which mature in 2012.

During 2010, the Company entered into gold forward contracts to purchase 394,885 ounces of gold at an average rate of $1,181 per ounce. Contracts for 91,250 ounces of gold matured in 2010, 265,940 ounces were to mature in 2011, with the remainder of 37,695 ounces maturing in 2012. The purpose of these derivatives was to offset a portion of the derivatives which were acquired with the Bema acquisition.

Commensurate with the engagement of these derivatives, the Company de-designated the gold forward sale contract hedging relationship for 100%

of the remaining 2011 maturities and 100% of 2012 maturities. As noted above, the Company subsequently closed out and early settled all outstanding gold and silver forward contracts.

(iv) **Energy forward contracts**

The Company is exposed to changes in energy prices through its consumption of diesel fuel, and the price of electricity in some electricity supply contracts. The Company entered into energy forward contracts that protect against the risk of fuel price increases. Diesel fuel is consumed in the operation of mobile equipment and electricity generation.

The following table provides a summary of energy forward contracts outstanding at December 31, 2011, maturing in:

	2012	2013	2014	Total
Energy				
Oil forward buy contracts (barrels)	290,000	115,000	45,000	450,000
Average price	92.21	91.22	83.04	91.04
Diesel forward buy contracts (gallons)	4,830,000	2,310,000	—	7,140,000
Average price	2.96	2.93	—	2.95
Gasoil forward buy contracts (tonnes)	14,765	—	—	14,765
Average price	933.26	—	—	933.26

During 2011, the following new forward buy derivative contracts were engaged:

- 602,000 barrels of Nymex Crude WTI oil at an average rate of $92.09 per barrel, with maturities in 2011, 2012, 2013 and 2014;
- 7.14 million gallons of diesel at an average rate of $2.95 per gallon, with maturities in 2012 and 2013; and
- 16,107 tonnes of gasoil at an average rate of $933.25 per tonne, with maturities in 2011 and 2012.

At December 31, 2011, the unrealized gain or loss on these derivative contracts recorded in AOCI is as follows:

- Oil forward buy contracts – unrealized gain of $1.8 million (December 31, 2010 – $1.3 million gain, January 1, 2010 – $0.9 million gain)
- Diesel forward buy contracts - unrealized loss of $0.3 million (December 31, 2010 – $nil, January 1, 2010 – $nil); and
- Gas oil forward buy contracts – unrealized loss of $0.2 million (December 31, 2010 – $nil, January 1, 2010 – $nil).

(v) **Total return swap**

A total return swap ("TRS") was engaged during the fourth quarter of 2008 as an economic hedge of the Company's deferred share units ("DSUs"). Under the terms of the TRS, a bank has the right to purchase Kinross shares in the marketplace as a hedge against the returns in the TRS. At December 31, 2011, 93% of the DSUs were economically hedged, although hedge accounting was not applied.

(vi) **Canadian dollar denominated common share purchase warrants liability**

The Company's Canadian dollar denominated common share purchase warrants are considered derivative instruments and are measured at fair value on initial recognition and subsequently at each reporting date, with changes in fair value recognized in the consolidated statement of operations. For the year ended December 31, 2011, the Company recognized a gain of $29.8 million (year ended December 31, 2010 —a gain of $35.2 million) in the consolidated statement of operations.

(vii) **Senior convertible notes - conversion option**

The Company's option to settle its convertible notes in cash or shares upon conversion causes the conversion option to be considered an embedded derivative which is recognized at fair value on initial recognition and subsequently at each reporting date with changes in the fair value recognized in the consolidated statement of operations. For the year ended December 31, 2011, the Company recognized a gain of $36.4 million (year ended December 31, 2010 – a gain of $38.3 million) in the consolidated statement of operations.

12. Capital and financial risk management

The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of debt and equity financing. The Board of Directors has established a number of quantitative measures related to the management of capital. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company is sensitive to changes in commodity prices, foreign exchange and interest rates. The Company manages its exposure to changes in currency exchange rates, energy and interest rates by periodically entering into derivative financial instrument contracts in accordance with the formal risk management policy approved by the Company's Board of Directors. The Company's policy is to not hedge metal sales. However in limited circumstances the Company may use derivative contracts to hedge against the risk of falling prices for a portion of its forecasted metal sales. The Company may also assume derivative contracts as part of a business acquisition or they may be required under financing arrangements.

All of the Company's hedges are cash flow hedges. The Company applies hedge accounting whenever hedging relationships exist and have been documented.

i. **Capital management**

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration, and other areas of the business in any gold price environment;

- Ensure the Company has the capital and capacity to support a long-term growth strategy;
- Provide investors with a superior rate of return on their invested capital;
- Ensure compliance with all bank covenant ratios; and
- Minimize counterparty credit risk.

Kinross adjusts its capital structure based on changes in forecasted economic conditions and based on its long term strategic business plan. Kinross has the ability to adjust its capital structure by issuing new equity, drawing on existing credit facilities, issuing new debt, and by selling or acquiring assets. Kinross can also control how much capital is returned to shareholders through dividends and share buybacks.

The Company is not subject to any externally imposed capital restrictions.

The Company's quantitative capital management objectives are largely driven by the requirements under its debt

agreements and are noted in the tables below:

	December 31, 2011	December 31, 2010	January 1 2010
Long-term debt	**$ 1,600.4**	$ 426.0	$ 475.8
Current portion of long-term debt	**32.7**	48.4	177.0
Total debt	**1,633.1**	474.4	652.8
Common shareholders' equity	**12,390.4**	14,531.1	5,527.7
Gross debt / common shareholders' equity ratio	**13.2%**	3.3%	11.8%
Company target	**0 – 30%**	0 – 30%	0 – 30%
Rolling 12 month EBITDA(a)	**$ 2,033.4**	$ 1,495.1	$ 1,193.4
Rolling 12 month cash interest expense(b)	**71.2**	49.7	36.3
Interest coverage ratio	**28.6:1**	30.1:1	32.9:1
Company target ratio	**> 4.25:1**	> 4.25 :1	> 4.25 :1

(a) EBITDA is a defined term under the Company's current credit facility.

(b) Interest expense includes interest expense included in finance expense on the consolidated statement of operations in addition to capitalized interest.

ii. **Gold and silver price risk management**

The Company's policy is to not hedge metal sales. However, in certain circumstances the Company may use derivative contracts to hedge against the risk of falling prices for a portion of its forecasted metal sales. The Company may also assume derivative contracts as part of a business acquisition or they may be required under financing arrangements. As a result of the acquisition of Bema in February 2007, the Company assumed gold and silver forward sales contracts, call options, and put options, primarily due to requirements related to the Kupol project financing.

During the third quarter of 2011, the Company closed out and early settled all gold and silver derivative financial instruments and other contracts that were required under the terms of the Kupol project financing that was acquired with the acquisition of Bema.

iii. **Currency risk management**

The Company is primarily exposed to currency fluctuations relative to the U.S. dollar on expenditures that are denominated in Canadian dollars, Brazilian reais, Chilean pesos, Russian roubles, Mauritanian ouguiya and Ghanaian cedi. This risk is reduced, from time to time, through the use of foreign currency forward contracts to lock in the exchange rates on future non-U.S. denominated currency cash outflows. The Company has entered into forward contracts to purchase the Canadian dollars, Brazilian reais, Chilean pesos, and Russian roubles as part of this risk management strategy. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities. The Company does not actively manage this exposure.

Impact of foreign exchange risk on net working capital

		10% strenthening in US$		10% weakening in US$	
	Foreign currency net working asset (liability) in US$	Effect on earnings before taxes, gain (loss)(a)	Effect on OCI before taxes, gain (loss)(a)	Effect on earnings before taxes, gain (loss)(a)	Effect on OCI before taxes, gain (loss)(a)
Canadian dollars	$ (21.3)	$ 1.9	—	$ (2.4)	—
Brazilian reais	$ 15.8	$ (1.4)	—	$ 1.8	—
Chilean pesos	$ (55.1)	$ 5.0	—	$ (6.1)	—
Russian roubles	$ 59.4	$ (5.4)	—	$ 6.6	—

Euros	$	(12.6)	$	1.1	—	$	(1.4)	—
Mauritania ouguiya	$	18.6	$	(1.7)	—	$	2.1	—
Ghanian cedi	$	26.5	$	(2.4)	—	$	2.9	—
Other (b)	$	(19.2)	$	1.8	—	$	(2.2)	—

(a) As described in Note 3 (ii), the Company translates its monetary assets and liabilities into U.S. dollars at the rates of exchange at the consolidated balance sheet dates. Gains and losses on translation of foreign currencies are included in earnings.
(b) Includes British pounds, Australian dollars, South African rand, and Japanese yen.

At December 31, 2011, with other variables unchanged, the following represents the effect of the Company's foreign currency forward contracts on earnings before taxes, and OCI before taxes from a 10% change in the exchange rate of the U.S. dollar against the Canadian dollar, Brazilian real, Chilean peso, and Russian rouble.

	10% strenthening in US$		10% weakening in US$	
Currency Risk	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) (a)	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) (a)
Canadian dollars	—	$ (10.8)	—	$ 13.4
Brazilian reais	$ 0.1	$ (56.4)	—	$ 69.4
Chilean pesos	—	$ (29.0)	—	$ 35.8
Russian roubles	—	$ (14.9)	—	$ 18.3

(a) Upon maturity of these contracts the amounts in OCI before taxes will reverse against hedged items the contracts relate to, which may be to earnings or property, plant and equipment.

iv. **Interest rate risks**

The Company is exposed to interest rate risk on its variable rate debt. As a result of the acquisition of Bema in February 2007, the Company assumed an interest rate swap, an interest rate cap and an interest rate floor contract. As discussed in Note 11, these contracts were closed out and early settled in August 2011.

During 2008, the Company entered into an interest rate swap for Kinross Brasil Mineração S.A. ("KBM"), formerly known as Rio Paracatu Mineração S.A., a 100% subsidiary of Kinross. At December 31, 2011 with other variables unchanged, a 50 basis point downward shift in the interest rate curve would not impact earnings before taxes and OCI before taxes, and a 50 basis point upward shift in the interest rate curve would not impact earnings before taxes and OCI before taxes.

v. **Energy**

The Company is exposed to changes in energy prices through its consumption of diesel fuel, and the price of electricity in some electricity supply contracts. The Company entered into energy forward contracts that protect against the risk of fuel price increases. Diesel fuel is consumed in the operation of mobile equipment and electricity generation.

At December 31, 2011, with other variables unchanged, the following represents the effect of the Company's energy forward contracts on earnings before taxes, and OCI before taxes from a 10% change in oil, gas oil, and diesel prices.

	10% increase in price		10% decrease in price	
Energy price risk	Effect on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) (a)	Effect of on earnings before taxes, gain (loss)	Effect on OCI before taxes, gain (loss) (a)
Oil price	—	$ 4.3	—	$ (4.2)
Gasoil price	—	$ 1.4	—	$ (1.3)
Diesel price	—	$ 2.0	—	$ (2.0)

(a) Upon maturity of these contracts the amounts in OCI before taxes will reverse against hedged items the contracts relate to, which will be to earnings.

vi. **Liquidity risk**

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances (December 31, 2011 - $1,766.0 million), by utilizing its lines of credit and by monitoring developments in the capital markets. The Company continuously monitors and reviews both actual and forecasted cash flows.

The contractual cash flow requirements for financial liabilities at December 31, 2011 are as follows:

	Total	Less than 2 years	More than 2, less than 3 years	More than 3, less than 5 years	More than 5 years
Long-term debt (a)	$ 2,563.5	$ 696.2	$ 121.8	$ 437.7	$ 1,307.8
Derivative liabilities - net	$ 74.3	$ 66.2	$ 8.1	$ —	$ —

(a) Includes long-term debt, including the current portion, interest, as well as obligations under letters of credit issued and the full face value of the Senior convertible notes and Senior notes.

***vii.* Credit risk management**

Credit risk relates to cash and cash equivalents, accounts receivable and derivative contracts and arises from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. As at December 31, 2011, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, trade receivables, derivative contracts, and taxes recoverable.

13. Long-term debt and credit facilities

			December 31, 2011				December 31, 2010		January 1, 2010	
		Interest Rates	Nominal Amount	Deferred Financing Costs	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
Corporate revolving credit facility	(i)	Variable	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Senior convertible notes	(iii)	1.75%	**420.7**	**—**	**420.7**	**457.3**	390.9	450.5	363.2	403.1
Senior notes	(iv)	3.625% - 6.875 %	**992.7**	**(11.3)**	**981.4**	**986.1**	—	—	—	—
Kupol project loan	(v)	Variable	**200.0**	**(5.9)**	**194.1**	**194.1**	—	—	158.4	157.9
Corporate term loan facility	(i)	Variable	**22.7**	**(0.3)**	**22.4**	**22.3**	56.8	57.1	92.0	92.6
Paracatu finance leases	(ii)	5.62%	**12.8**	**—**	**12.8**	**13.1**	22.3	23.2	31.8	32.2
Maricunga finance leases	(ii)	6.04%	**—**	**—**	**—**	**—**	—	—	0.2	0.2
Kettle River - Buckhorn finance leases	(ii)	7.70%	**—**	**—**	**—**	**—**	0.1	0.1	0.1	0.1
Crixás bank loan and other		Variable	**1.7**	**—**	**1.7**	**1.7**	4.3	4.3	7.1	7.1
			1,650.6	**(17.5)**	**1,633.1**	**1,674.6**	474.4	535.2	652.8	693.2
Less: current portion			**(33.0)**	**0.3**	**(32.7)**	**(32.7)**	(48.4)	(48.4)	(177.0)	(177.0)
Long-term debt			**$ 1,617.6**	**$ (17.2)**	**$ 1,600.4**	**$ 1,641.9**	$ 426.0	$ 486.8	$ 475.8	$ 516.2

(a) Includes transaction costs on debt financings.

Scheduled debt repayments

	2012	2013	2014	2015	2016	2017 and thereafter	Total
Corporate revolving credit facility	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Senior convertible notes	—	420.7	—	—	—	—	420.7
Senior notes	—	—	—	—	249.0	743.7	992.7
Kupol project loan	—	60.0	60.0	60.0	20.0	—	200.0
Corporate term loan facility	22.7	—	—	—	—	—	22.7
Paracatu finance leases	9.5	3.3	—	—	—	—	12.8
Crixás bank loan and other	0.8	0.7	0.2	—	—	—	1.7
Total debt payable	$ 33.0	$ 484.7	$ 60.2	$ 60.0	$ 269.0	$ 743.7	$ 1,650.6

***i.* Corporate revolving credit and term loan facilities**

In November 2009, the Company entered into an amended revolving credit facility which provides credit of $450.0 million on an unsecured basis and expires in November 2012. The term loan (corporate term loan facility) for the Paracatu property forms part of the amended revolving credit facility, and that credit will be available to the Company as the term loan is repaid.

On June 17, 2010, the Company entered into a further amendment to increase availability under the facility to $600.0 million. On September 17, 2010, the revolving credit facility was further amended to add Mauritania, Ghana, and Côte d'Ivoire as permitted jurisdictions as a result of the Red Back acquisition. All other terms and conditions under the existing revolving credit facility remained unchanged.

On March 31, 2011, the Company entered into a further amendment to increase the availability under the facility to $1,200.0 million. The term of the facility was also extended from November 2012 to March 2015.

As at December 31, 2011, the Company had drawn $55.5 million (December 31, 2010 — $87.7 million, January 1, 2010 — $124.4 million) on the amended revolving credit facility, including drawings for the Paracatu term loan and $32.8 million (December 31, 2010 — $28.6 million, January 1, 2010 — $28.9

million) for letters of credit.

The amended revolving credit facility agreement contains various covenants including limits on indebtedness, asset sales and liens. Significant financial covenants include a minimum tangible net worth of $5,250.0 million and increasing by 50% of positive net income each quarter, starting with the quarter ending March 31, 2011, (previously $3,345.3 million starting September 30, 2009 and increasing by 50% of positive net income each quarter), an

interest coverage ratio of at least 4.25:1, and net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with these covenants at December 31, 2011.

Loan interest is variable, set at LIBOR plus an interest rate margin which is dependent on the ratio of the Company's net debt to EBITDA as defined in the agreement.

The Company's current ratio of net debt to EBITDA at December 31, 2011, as defined in the agreement, is less than 1.00:1. At this ratio, interest charges are as follows:

Type of credit	Credit facility
Dollar based LIBOR loan	LIBOR plus 1.75%
Letters of credit	1.75%
Standby fee applicable to unused availability	0.44%

Also in November 2009, the Company entered into a separate Letter of Credit guarantee facility with Export Development Canada for $125.0 million. Letters of credit guaranteed by this new facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River—Buckhorn. Fees related to letters of credit under this facility are 1.00% to 1.25%.

On July 30, 2010, the Company entered into an amendment to increase the amount of the Letter of Credit guarantee facility from $125.0 million to $136.0 million. All other terms and conditions under this agreement remain the same. As at December 31, 2011, the amount outstanding under this facility was $135.1 million (December 31, 2010 - $135.1 million, January 1, 2010 - $96.4 million).

In addition, at December 31, 2011, the Company had approximately $41.0 million (December 31, 2010 - $11.5 million, January 1, 2010 — $15.8 million) in letters of credit outstanding, in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with Brazilian and international banks.

ii. **Finance leases**

As at December 31, 2011 and 2010 and January 1, 2010, the finance lease obligations are as follows:

	December 31, 2011			December 31, 2010			January 1, 2010		
	Future Payments	Interest	Present value	Future payments	Interest	Present value	Future payments	Interest	Present value
Less than one year	**$ 10.0**	**$ 0.5**	**$ 9.5**	$ 10.7	$ 1.1	$ 9.6	$ 11.4	$ 1.7	$ 9.7
Between one and five	**3.4**	**0.1**	**3.3**	13.3	0.5	12.8	23.8	1.4	22.4
Later than five years	**—**	**—**	**—**	—	—	—	—	—	—
	$ 13.4	**$ 0.6**	**$ 12.8**	$ 24.0	$ 1.6	$ 22.4	$ 35.2	$ 3.1	$ 32.1

The Company recorded interest expense related to the finance leases of $1.1 million and $1.6 million for the years ended December 31, 2011 and 2010 respectively. The cost of the assets and the accumulated depreciation related to the finance leases was $39.8 million and $20.2 million, respectively as at December 31, 2011 (December 31, 2010 — $39.8 million and $14.1 million, January 1, 2010 — $73.8 million and $24.1 million). The depreciation expense related to these assets in 2011 was $6.1 million (2010 - $8.4 million).

iii. **Senior convertible notes**

In January 2008, the Company completed a public offering of $460.0 million senior convertible notes due March 15, 2028, each in the amount of one thousand dollars. The notes will pay interest semi-annually at a rate of 1.75% per annum. The notes will be convertible, at the holder's option, equivalent to a conversion price of $28.04 per share of common stock subject to adjustment. Kinross received net proceeds of $449.9 million from the offering of convertible notes, after payment of the commissions of the initial purchasers and expenses of the offering. The convertible notes are convertible into Kinross common shares at a fixed conversion rate, subject to certain anti-dilution adjustments, only in the event that (i) the market price of Kinross common shares exceeds 130% of the effective conversion price of the convertible notes, (ii) the trading price of the convertible notes falls below 98% of the amount equal to Kinross' then prevailing common share price, times the applicable conversion rate, (iii) the

convertible notes are called for redemption, (iv) upon the occurrence of specified corporate transactions or (v) if Kinross common shares cease to be listed on a specified stock exchange or eligible for trading on an over-the-counter market. The convertible notes will also be convertible on and after December 15, 2027. The convertible senior notes are redeemable by the Company, in whole or part, for cash at any time on or after March 20, 2013, at a redemption price equal to par plus accrued and unpaid interest, if any, to the redemption date. Holders of the convertible notes will have the right to require Kinross to

repurchase the convertible notes on March 15, 2013, 2018 and 2023, and, on or prior to March 20, 2013, upon certain fundamental changes. The redemption price will be equal to 100% of the principal amount of the convertible notes plus accrued and unpaid interest to the redemption date, if any.

iv. **Senior notes**

On August 22, 2011, the Company completed a $1.0 billion offering of debt securities consisting of $250.0 million principal amount of 3.625% senior notes due 2016, $500.0 million principal amount of 5.125% senior notes due 2021 and $250.0 million principal amount of 6.875% senior notes due 2041 (collectively, the "notes"). The notes pay interest semi-annually. Kinross received net proceeds of $980.9 million from the offering, after discount, payment of the commissions to the initial purchasers and expenses directly related to the offering. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indenture, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months and six months of maturity of the notes due in 2021 and 2041, respectively, the Company can only redeem the notes in whole at 100% of the principal amount plus accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a redemption price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the redemption date, if any.

v. **Kupol project financing**

The original Kupol project financing loan was repaid in full in December 2010.

On December 21, 2011, the Company completed a $200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of $30.0 million will commence in March 2013 and continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to $13.0 million and $7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs, if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of $204.8 million are pledged as security as part of the Kupol project financing.

As at December 31, 2011, cash of $34.0 million was restricted for payments related to this loan.

14. Provisions

	Reclamation and remediation obligations (i)	Other	Total
Balance at January 1, 2011(a)	$ 555.4	$ 45.8	$ 601.2
Additions	70.3	2.0	72.3
Reductions	(52.1)	(11.2)	(63.3)
Reclamation spending	(12.1)	—	(12.1)
Accretion	21.4	—	21.4
Reclamation expenses	15.7	—	15.7
Balance at December 31, 2011	$ 598.6	$ 36.6	$ 635.2
Current portion	37.8	0.3	38.1
Non-current portion	560.8	36.3	597.1
	$ 598.6	$ 36.6	$ 635.2

(a) The balance at January 1, 2011 has been recast as a result of the finalization of the Red Back purchase price allocation. See Note 6(iii).

i. **Reclamation and remediation obligations**

The Company conducts its operations so as to protect the public health and the environment, and to comply with all applicable laws and regulations governing protection of the environment. Reclamation and remediation obligations arise throughout the life of each mine. The Company estimates future reclamation costs based on the level of current mining activity and estimates of costs required to fulfill the Company's future obligation. The above table details the items that affect the reclamation and remediation obligations. The additions and reductions reflect changes in estimated costs, timing of expenditures and discount rates at individual sites.

Included in other operating costs for the year ended December 31, 2011 is a $15.7 million charge (December 31, 2010 — $6.2 million) reflecting revised estimated fair values of costs that support the reclamation and remediation obligations for properties that have been closed. The majority of the expenditures are expected to occur between 2012 and 2051. The discount rates used in estimating the site restoration cost obligation were between 0.1% and 11.1% for the year ended December 31, 2011 (December 31, 2010 - 0.3% and 12.6%), and the inflation rate used was between 1.4% and 5.6% for the year ended December 31, 2011 (December 31, 2010 - 1.7% and 6.1%).

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. As at December 31, 2011, letters of credit totaling $170.8 million (December 31, 2010 — $155.4 million) had been issued to various regulatory agencies to satisfy financial assurance requirements for this purpose. The letters of credit were issued against the Company's Letter of Credit guarantee facility with Export Development Canada and the revolving credit facility. The Company believes it is in compliance with all applicable requirements under these facilities.

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15. Common share capital and common share purchase warrants

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. A summary of common share transactions for the years ended December 31, 2011 and 2010 is as follows:

	Year ended December 31, 2011		Year ended December 31, 2010	
	Number of shares ('000's)	Amount ($)	Number of shares ('000's)	Amount ($)
Common shares				
Balance at January 1,	**1,133,295**	**$ 14,414.2**	696,027	$ 6,377.4
Issued:				
On acquisition of properties	**223**	**3.8**	—	—
On acquisition of Underworld	**—**	**—**	6,501	117.7
On acquisition of Dvoinoye	—	—	10,558	173.9
On acquisition of Red Back	**—**	**—**	416,358	7,678.3
Under employee share purchase plan	**421**	**6.2**	304	5.1
Under stock option and restricted share plan	**1,405**	**26.2**	1,152	20.8
Under Aurelian options	**377**	**6.1**	316	4.6
Under Bema options	**22**	**0.3**	11	0.1
Under Underworld options	**28**	**0.6**	214	3.8
Under Red Back options	**1,850**	**35.6**	1,632	30.1
Conversions:				
Bema warrants	**111**	**1.6**	222	2.4
Balance, at end of period	**1,137,732**	**$ 14,494.6**	1,133,295	$ 14,414.2
Common share purchase warrants (a)				
Balance at January 1,	**50,262**	**$ 162.2**	24,725	$ 1.9
On acquisition of Red Back	**—**	**—**	25,759	161.3
Conversion of warrants	**(111)**	**(0.2)**	(222)	(1.0)
Expiry of warrants	**(4,697)**	**—**	—	—
Balance, at end of period	**45,454**	**$ 162.0**	50,262	$ 162.2
Total common share capital and common share purchase warrants		**$ 14,656.6**		$ 14,576.4

(a) Amount includes only the value of the U.S. dollar denominated warrants. Canadian dollar denominated warrants are considered an embedded derivative and classified as a liability (see Note 11).

i. Dividends on common shares

The following summarizes dividends paid during the years ended December 31, 2011 and 2010. There were no dividends declared but unpaid at December 31, 2011.

	Per share	Total amount ($)
Dividends paid during the following periods:		
Three months ended September 30, 2011	**$ 0.06**	**$ 68.0**
Three months ended March 31, 2011	**$ 0.05**	**56.8**
Total		**$ 124.8**

	Per share	Total amount ($)
Dividends paid during the following periods:		
Three months ended September 30, 2010	**$ 0.05**	**$ 35.7**
Three months ended March 31, 2010	**$ 0.05**	**34.9**
Total		**$ 70.6**

On February 15, 2012, the Board of Directors declared a dividend of $0.08 per common share to shareholders of record on March 23, 2012.

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ii. Common share purchase warrants

The Company has issued both Canadian dollar denominated and U.S. dollar denominated common share purchase warrants.

(a) Canadian dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the year ended December 31, 2011 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price (CDN$/warrant)
Balance at January 1, 2011	**24,392**	**$ 30.17**
Issued	**—**	**—**
Exercised	**—**	**—**
Expired	**(4,697)**	**22.49**
Balance at December 31, 2011	**19,695**	**$ 32.00**

These Canadian dollar denominated common share purchase warrants are classified as a liability (see Note 11).

The following table summarizes information regarding the common share purchase warrants outstanding and exercisable at December 31, 2011:

Canadian dollar denominated common share purchase warrants

Exercise price	Number outstanding (000's) (a)	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)
$ 32.00	19,695	32.00	1.68
Outstanding at December 31, 2011	19,695	$ 32.00	1.68

(a) Represents share equivalents of warrants.

(b) U.S. dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the year ended December 31, 2011 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price ($/warrant)
Balance at January 1, 2011	**25,870**	**$ 21.26**
Issued	**—**	**—**
Exercised	**(111)**	**12.89**
Balance at December 31, 2011	**25,759**	**$ 21.30**

The following table summarizes information regarding the common share purchase warrants outstanding and exercisable at December 31, 2011:

US dollar denominated common share purchase warrants

Exercise Price	Number outstanding (000's) (a)	Weighted average exercise price (US$)	Weighted average remaining contractual life (years)
$ 21.30	25,759	$ 21.30	2.72
Outstanding at December 31, 2011	25,759	$ 21.30	2.72

(a) Represents share equivalents of warrants.

16. Share-based payments

Share-based compensation recorded during the years ended December 31 2011 and 2010 was as follows:

	Year ended December 31,	
	2011	2010
Stock option plan expense (i)	**$ 10.8**	$ 10.8
Employer portion of stock purchase plan (v)	**2.1**	1.4
Restricted share plan expense, including restricted performance share plan ((ii) and (iii))	**22.7**	19.7
Deferred share units expense (iv)	**0.9**	0.6
Total share-based compensation	**$ 36.5**	$ 32.5

i. **Stock option plan**

The Company has a stock option plan for officers and employees, enabling them to purchase common shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding common shares. Each option granted under the plan is for a maximum term of seven years. One-third of the options are exercisable each year commencing one year after the date of grant. The exercise price is determined by the Company's Board of Directors at the time the option is granted, subject to regulatory approval and may not be less than the closing market price of the common shares on the last trading day prior to the grant of the option. The stock options outstanding at December 31, 2011 expire at various dates to 2018. As at December 31, 2011, 9,207,566 common shares, in addition to those outstanding at year end, were available for granting of options.

The summary of the status of the stock option plan and changes during the years ended December 31, 2011 and 2010 are as follows:

Canadian $ denominated options

	2011		2010	
Canadian dollar denominated options	Number of options (000's)	Weighted average exercise price (CDN$)	Number of options (000's)	Weighted average exercise price (CDN$)
Balance at January 1	**15,246**	**$ 14.86**	7,192	$ 18.80
On acquisition of Red Back	**—**	**—**	8,726	8.55
On acquisition of Underworld	**—**	**—**	420	5.69
Granted	**2,006**	**16.09**	1,575	19.14
Exercised	**(2,607)**	**8.76**	(2,446)	4.54
Forfeited	**(690)**	**20.05**	(221)	20.78
Expired	**(227)**	**20.08**	—	—
Outstanding at end of period	**13,728**	**$ 15.85**	15,246	$ 14.86

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2011:

	Options outstanding			Options exercisable		
Exercise price range in Canadian dollars:	Number of options (000's)	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)	Number of options (000's)	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)
$ 3.55 $ 4.22	1,292	$ 3.81	2.05	1,292	$ 3.81	2.05
4.23 9.53	1,721	7.32	2.85	1,721	7.32	2.85
9.54 14.31	907	13.55	1.77	815	13.47	1.25
14.32 21.48	6,505	16.78	3.84	3,748	16.43	2.89
21.49 26.42	3,303	23.81	1.05	3,005	23.82	0.95
	13,728	$ 15.85	2.74	10,581	$ 15.28	2.10

The following weighted average assumptions were used in computing the fair value of stock options granted during the years ended December 31, 2011 and 2010:

	2011	2010
Black-Scholes weighted-average assumptions		
Weighted average share price (CDN$)	**$ 16.09**	**$ 19.14**
Expected dividend yield	**0.63%**	**0.52%**
Expected volatility	**38.8%**	**49.9%**
Risk-free interest rate	**2.6%**	**1.7%**
Estimated forfeiture rate	**3.0%**	**3.0%**
Expected option life in years	**4.5**	**3.5**
Weighted average fair value per stock option granted (CDN$)	**$ 5.45**	**$ 7.01**

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

ii. **Restricted share unit plan**

The Company has a RSU plan whereby restricted share units may be granted to employees, officers, directors and consultants of the Company. A restricted share unit is exercisable into one common share entitling the holder to acquire the common share for no additional consideration. Restricted share units vest over a three year period. The current maximum number of common shares issuable under the RSU plan is 20.0 million.

A summary of the status of the restricted share unit plan and changes during the years ended December 31, 2011, 2010, are as follows:

Restricted share unit plan

	2011		2010	
	Number of units (000's)	Weighted average exercise price (CDN$/unit)	Number of units (000's)	Weighted average exercise price (CDN$/unit)
Balance at January 1	**2,132**	**$ 20.44**	1,856	$ 21.42
Granted	**1,765**	**15.88**	1,335	18.98
Reinvested	**19**	**17.82**	12	20.42
Redeemed	**(1,037)**	**20.83**	(878)	20.29
Forfeited	**(325)**	**17.97**	(193)	20.45
Outstanding at end of period	**2,554**	**$ 17.43**	2,132	$ 20.44

iii. **Restricted performance share unit plan**

In 2009, the Company implemented a RPSU plan. The RPSUs are subject to certain vesting requirements and vest at the end of three years. The vesting requirements are based on certain criteria established by the Company.

A summary of the status of the restricted performance share unit plan and changes during the years ended December 31, 2011 and 2010 are as follows:

Restricted performance share unit plan

	2011		2010	
	Number of units (000's)	Weighted average exercise price (CDN$/unit)	Number of units (000's)	Weighted average exercise price (CDN$/unit)
Balance at January 1	**223**	**$ 19.94**	42	$ 23.74
Granted	**394**	**16.07**	214	19.23
Reinvested	**4**	**17.51**	2	19.97
Redeemed	**(38)**	**18.31**	—	—
Forfeited	**(35)**	**17.87**	(35)	20.14
Outstanding at end of period	**548**	**$ 17.38**	223	$ 19.94

iv. **Deferred share unit plan**

The Company has a DSU plan for its outside directors which provides that each outside director receives, on the date in each quarter which is two business days following the publication by the Company of its earnings results for the previous quarter, or year in the case of the first quarter, that number of DSUs having a value equal to 50% of the compensation of the outside director for the current quarter. Each outside director can elect to receive a greater percentage of their compensation in DSUs, and an outside director who has exceeded a minimum DSU/common share ownership requirement may elect to receive cash for all or any portion of the compensation otherwise payable in DSUs. The number of DSUs granted to an outside director is based on the closing price of the Company's common shares on the Toronto Stock Exchange on the business day immediately preceding the date of grant. At such time as an outside director ceases to be a director, the Company will make a cash payment to the outside director, equal to the market value of a Kinross common share on the date of departure, multiplied by the number of DSUs held on that date.

	Year ended December 31,	
	2011	2010
DSUs granted (000's)	61	37
Weighted average grant-date fair value per unit (CDN$)	$ 14.02	$ 18.44

There were 315,002 DSUs outstanding, for which the Company had recognized a liability of $3.6 million, as at December 31, 2011 ($4.8 million at December 31, 2010).

v. **Employee share purchase plan**

The Company has an Employee Share Purchase Plan whereby North American employees of the Company have the opportunity to contribute up to a maximum of 10% of their annual base salary to purchase common shares. Since 2004, the Company contributes 50% of the employees' contributions. The Company issues common shares equal to the employees' contributions and the Company's contribution from treasury each quarter. The common shares are purchased based on the weighted average price on the last twenty trading sessions prior to the end of the quarter. The number of shares issued by the Company and the average of the price per share for the years ending December 31 are as follows:

	Year ended December 31,	
	2011	2010
Common shares issued (000's)	**421**	304
Average price of shares issued ($/unit)	**$ 14.71**	$ 18.01

17. Earnings per share

Earnings per share ("EPS") has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. Stock options and common share purchase warrants are reflected in diluted earnings per share by application of the treasury method. The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

	Year ended December 31,	
(Number of common shares in thousands)	**2011**	**2010**
Basic weighted average shares outstanding:	1,135,999	824,545
Weighted average shares dilution adjustments:		
Stock options (a)	—	2,212
Restricted shares	—	2,151
Performance shares	—	223
Common share purchase warrants (a)	—	78
Diluted weighted average shares outstanding	1,135,999	829,209
Weighted average shares dilution adjustments - exclusions: (b)		
Stock options	10,293	5,876
Restricted shares	2,602	—
Performance shares	503	—
Common share purchase warrants	48,680	50,152
Convertible notes	16,405	25,960

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the years ended December 31, 2011 and 2010 the average share price used was $15.45 and $17.72, respectively.

(b) These adjustments were excluded, as they were anti-dilutive.

18. Income tax expense

The following table shows the components of the current and deferred tax expense:

	Year ended December 31,	
	2011	2010
Current tax expense		
Current period	$ 399.3	$ 351.8
Adjustment for prior period	3.1	20.4
Deferred tax expense		
Origination and reversal of temporary differences	126.5	26.4
Impact of changes in tax rate	(8.6)	0.1
Change in unrecognized deductible temporary differences	—	(22.4)
Recognition of previously unrecognized tax losses	(9.5)	(43.5)
	$ 510.8	$ 332.8

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate is as follows:

	2011	2010
Combined statutory income tax rate	28.3%	31.0%
Increase (decrease) resulting from:		
Mining taxes	(0.8)%	0.8%
Resource allowance and depletion	0.5%	(0.5)%
Difference in foreign tax rates and FX (gain) loss on translation of tax basis and FX on deferred income taxes within income tax expense	(14.6)%	0.2%

Benefit of losses not recognized	(1.7)%	2.1%
Recognition of tax attributes not previously benefited	1.6%	(5.4)%
Under (over) provided in prior periods	0.7%	1.3%
Impairment of property, plant and equipment	0.0%	5.2%
Income not subject to tax	3.8%	(13.0)%
Effect of non-deductible goodwill impairment	(48.9)%	0.0%
Taxes on repatriation of foreign earnings	(3.2)%	2.2%
Other	0.3%	3.7%
Effective tax rate	(34.0)%	27.6%

i. **Deferred income tax**

The following table summarizes the components of deferred income tax:

	December 31, 2011	December 31, 2010	January 1, 2010
Deferred tax assets			
Accrued expenses and other	$ 105.9	$ 106.4	$ 62.8
Reclamation and remediation obligations	133.4	121.3	53.7
Inventory capitalization	5.3	8.3	4.5
Non-capital loss carryforwards	0.7	24.4	28.0
	245.3	260.4	149.0
Deferred tax liabilities			
Accrued expenses and other	14.5	54.7	41.8
Property, plant and equipment	1,061.6	984.0	340.1
Inventory capitalization	26.4	20.6	1.4
Deferred tax liabilities - net	$ 857.2	$ 798.9	$ 234.3

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities:

	December 31, 2011	December 31, 2010
Deferred tax liabilities - net		
Balance at the beginning of the year	$ 798.9	$ 234.3
Recognized in profit/loss	108.4	(39.4)
Recognized in OCI	(34.3)	4.3
Acquired in business combinations		598.5
Other	(15.8)	1.2
Balance at the end of the year	$ 857.2	$ 798.9

ii. **Unrecognized deferred tax assets and liabilities**

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized, as at December 31, 2011 is $9.9 billion (December 31, 2010 — $12.8 billion).

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2011	December 31, 2010
Deductible temporary differences	$ 102.0	$ 115.9
Tax losses	118.1	129.3

The tax losses not recognized expire as per the amount and years noted below. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

iii. **Non-capital losses (not recognized)**

The following table summarizes the Company's non-capital losses that can be applied against future taxable profit:

Country	Type	Amount	Expiry Date
Canada	Net operating losses	$ 141.5	2012 - 2031
United States(a)	Net operating losses	28.6	2012 - 2031
Chile	Net operating losses	155.3	No expiry
Mexico	Net operating losses	16.9	2020 - 2022
Barbados	Net operating losses	752.2	2012 - 2020
Other	Net operating losses	72.5	2021

(a) Utilization of the United States loss carry forwards will be limited in any year as a result of the previous changes in ownership.

19. Segmented Information

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold properties. The Company's primary mining operations are in the United States, the Russian Federation, Brazil, Ecuador, Chile, Ghana and Mauritania.

The reportable segments are those operations whose operating results are reviewed by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose revenues, earnings or losses or assets exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments.

In order to determine reportable operating segments, management reviewed various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment consists of an individual mining property managed by a single general manager and management team. Certain properties that are in development or have not reached commercial production levels are considered reportable segments because they have reached quantitative thresholds. These have been identified as non-operating segments. There are no material intersegment transactions. Finance income, finance expense, other income (expense), and equity in losses of associates are managed on a consolidated basis and are not allocated to operating segments.

Non-mining and other operations are reported in Corporate and other.

i. Operating segments

The following tables set forth operating results by reportable segment for the following periods:

	Operating segments										Non-operating segments (a)		
For the year ended December 31, 2011:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol (d)	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other (c)(d)	Total
Revenue													
Metal sales	$ 454.0	295.0	709.7	255.4	364.7	100.8	761.1	279.4	308.9	414.3	—	—	3,943.3
Cost of sales													
Production cost of sales	199.1	129.2	323.9	145.5	105.5	50.3	247.8	74.9	138.2	182.0	—	—	1,596.4
Depreciation, depletion and amortization	57.6	28.7	60.7	28.5	19.2	13.3	123.5	80.9	63.5	95.5	—	6.0	577.4
Impairment charges	—	—	—	—	—	—	—	—	2,490.1	447.5	—	—	2,937.6
Total cost of sales	256.7	157.9	384.6	174.0	124.7	63.6	371.3	155.8	2,691.8	725.0	—	6.0	5,111.4
Gross profit (loss)	$ 197.3	137.1	325.1	81.4	240.0	37.2	389.8	123.6	(2,382.9)	(310.7)	—	(6.0)	(1,168.1)
Other operating costs (income)	1.3	0.9	8.2	4.3	0.5	2.3	0.8	(0.4)	12.2	1.2	—	33.1	64.4
Exploration and business development	6.9	0.6	0.1	9.2	0.3	1.9	8.9	8.9	24.8	4.7	3.9	66.2	136.4
General and administrative	—	—	0.7	—	—	—	0.3	—	0.1	—	0.2	172.3	173.6
Impairment charges	—	—	—	—	—	—	—	—	—	—	—	—	—
Operating earnings (loss)	$ 189.1	135.6	316.1	67.9	239.2	33.0	379.8	115.1	(2,420.0)	(316.6)	(4.1)	(277.6)	(1,542.5)
Other income — net													101.8
Equity in losses of associates													(2.3)
Finance income													6.9
Finance expense													(66.1)
Earnings (loss) before taxes	$												(1,502.2)

	Operating segments										Non-operating segments(a)			
For the year ended December 31, 2010:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol (d)	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Cerro Casale (b)	Corporate and other(c)(d)	Total
Revenue														

Metal sales	$ 432.9	227.5	597.8	250.5	187.5	94.7	781.8	242.6	78.0	116.8	—	—	—	$ 3,010.1
Cost of sales														
Production cost of sales	189.6	115.4	261.0	132.0	115.9	37.5	236.2	64.7	45.1	51.6	—	—	—	1,249.0
Depreciation, depletion and amortization	61.9	20.0	63.1	47.6	15.3	18.1	154.9	93.8	24.0	48.0	0.6	—	4.2	551.5
Total cost of sales	251.5	135.4	324.1	179.6	131.2	55.6	391.1	158.5	69.1	99.6	0.6	—	4.2	1,800.5
Gross profit	$ 181.4	92.1	273.7	70.9	56.3	39.1	390.7	84.1	8.9	17.2	(0.6)	—	(4.2)	1,209.6
Other operating costs (income)	—	(0.3)	2.6	0.2	1.6	0.3	0.9	(2.6)	0.2	0.2	(0.2)	—	13.2	16.1
Exploration and business development	3.0	0.7	—	3.6	—	0.1	2.8	7.1	23.2	0.9	292.3	—	66.9	400.6
General and administrative	—	—	—	—	—	—	0.2	—	—	—	0.7	—	143.1	144.0
Operating earnings (loss)	$ 178.4	91.7	271.1	67.1	54.7	38.7	386.8	79.6	(14.5)	16.1	(293.4)	—	(227.4)	648.9
Other income — net														614.3
Equity in losses of associates														(1.9)
Finance income														5.8
Finance expense														(62.2)
Earnings before taxes	$													1,204.9

(a) *Non-operating segments include development properties.*
(b) *As of March 31, 2010, Cerro Casale was reclassified to investments in associates.*
(c) *Includes corporate, shutdown and other non-operating assets (including Lobo-Marte and White Gold).*
(d) *As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.*

	Operating segments										Non-operating segments(a)		
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol (e)	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other (c)(e)	Total
Property, plant and equipment at:													
December 31, 2011	$ 394.8	203.4	1,586.0	162.2	490.8	94.9	1,076.9	171.2	2,370.6	1,210.3	638.2	560.1	8,959.4
Total assets at:													
December 31, 2011	$ 547.1	311.8	1,884.8	475.4	870.6	163.2	1,937.0	207.5	4,930.6	1,922.6	647.4	2,610.8	16,508.8
Capital expenditures for year ended													
December 31, 2011	$ 103.5	48.2	339.4	64.6	149.3	22.3	195.9	13.4	469.2	94.3	90.7	60.7	1,651.5

	Operating segments										Non-operating segments(a)			
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol (e)	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Cerro Casale (b)	Corporate and other(d)(e)	Total
Property, plant and equipment:														
December 31, 2010	$ 328.1	177.7	1,293.7	178.9	361.4	79.6	999.9	229.6	1,970.8	1,226.1	546.7	—	492.1	7,884.6
January 1, 2010	295.2	160.9	1,130.1	188.6	313.9	70.9	695.2	306.2	—	—	799.2	544.2	332.3	4,836.7
Total assets at:														
December 31, 2010	$ 487.6	285.8	1,608.7	483.3	627.0	150.0	1,729.3	269.5	6,717.7	2,275.1	558.6	—	2,602.6	17,795.2
January 1, 2010	441.8	262.3	1,359.1	463.2	560.1	139.0	1,399.5	343.0	—	—	804.6	914.6	1,189.1	7,876.3
Capital expenditures for year ended December 31, 2010	$ 81.9	30.7	169.5	28.0	73.1	25.5	67.3	9.2	54.2	13.6	38.8	4.0	32.5	628.3

(a) Non-operating segments include development properties.
(b) As of March 31, 2010, Cerro Casale was reclassified to investments in associates.
(c) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including Lobo-Marte and White Gold).
(d) Includes corporate, shutdown and other non-operating assets (including Lobo-Marte and White Gold).
(e) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2011 segment presentation.

ii. Geographic segments

Metal sales and Property, plant and equipment by geographical region:

	Metal sales		Property, plant and equipment		
	Year ended December 31,		As at December 31,		As at January 1,
	2011	2010	2011	2010	2010
Geographic information (a)					
United States	**$ 1,028.4**	$ 903.0	**$ 771.8**	$ 738.5	$ 762.4
Russian Federation	**761.1**	781.8	**1,076.9**	999.9	695.2
Brazil	**810.5**	692.5	**1,681.1**	1,373.4	1,201.0
Chile	**620.1**	438.0	**1,022.6**	869.4	1,342.8
Mauritania	**308.9**	78.0	**2,378.0**	1,973.5	—
Ghana	**414.3**	116.8	**1,230.2**	1,231.6	—
Ecuador		—	**638.2**	546.7	799.3
Canada		—	**160.6**	151.6	35.7
Other		—	**—**	—	0.3
Total	**$ 3,943.3**	$ 3,010.1	**$ 8,959.4**	$ 7,884.6	$ 4,836.7

(a) Geographic location is determined based on location of the mining assets.

iii. Significant customers

The following table represents sales to individual customers exceeding 10% of annual metal sales for the following periods:

For the year ended December 31, 2011:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Total
Customer											
1	$ 134.4	87.3	212.5	95.0	12.4	34.4	482.7	82.7	131.9	148.0	$ 1,421.3
2	—	—	—	—	—	—	521.9	—	—	—	521.9
											$ 1,943.2
% of total metal sales											49.3%

For the year ended December 31, 2010:	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Crixás	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Total
Customer											
1	$ 145.0	76.2	239.3	45.7	—	—	547.9	81.3	17.3	—	$ 1,152.7
2	3.7	2.0	160.5	185.1	—	—	—	2.1	—	—	353.4
3	—	—	—	—	—	—	353.1	—	—	—	353.1
											$ 1,859.2
% of total metal sales											61.8%

The Company is not economically dependent on a limited number of customers for the sale of its product because gold can be sold through numerous commodity market traders worldwide.

20. Commitments and contingencies

i. Commitments

Operating leases

The Company has a number of operating lease agreements involving office space and equipment. The operating leases for equipment provide that the Company may, after the initial lease term, renew the lease for successive yearly periods or may purchase the equipment at its fair market value. One of the operating leases for office facilities contains escalation clauses for increases in operating costs and property taxes. A majority of these leases are cancelable and are renewable on a yearly basis. Future minimum lease payments required to meet obligations that have initial or remaining non-cancelable lease terms in excess of one year are $5.1 million, $4.9 million, $4.7 million, $4.5 million and $4.5 million for each year from 2012 to 2016, respectively, and $15.3 million thereafter.

ii. Contingencies

General

Estimated losses from contingencies are accrued by a charge to earnings when information available prior to the issuance of the financial statements indicates that it is likely that a future event will confirm that an asset has been impaired or a liability incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Cerro Casale contingency

The Company was obligated to pay $40 million to Barrick when a production decision is made relating to the Cerro Casale project. During the first quarter of 2010, this contingent liability was reduced to $20 million in accordance with the agreement with Barrick under which the Company sold one-half of its 50% interest in the Cerro Casale project.

Other

The Company is involved in legal proceedings from time to time, arising in the ordinary course of its business. Typically, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

The Company has become aware that certain law firms in the United States have announced that they are investigating Kinross in connection with potential violation of United States Securities laws. No proceedings have been commenced to date, however the Company may become subject to proceedings in the future.

Income taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays, annual income taxes under the various regimes in countries in which it operates. These tax regimes are determined under general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company will undergo a review of its historic tax returns and in connection with such reviews disputes can arise with the taxing authorities over the Company's interpretation of the country's income tax rules.

21. Related party transactions

There were no material related party transactions in 2011 and 2010 other than compensation of key management personnel.

i. Key management personnel

Compensation of key management personnel of the Company:

	December 31, 2011	
	2011	2010
Cash compensation - Salaries, short term incentives, and other benefits	**$ 15.9**	$ 11.7
Long term incentives, including share-based payments	**12.3**	13.6
Termination and post retirement benefits	**6.7**	6.7
Total compensation paid to key management personnel	**$ 34.9**	$ 32.0

Key management personnel is defined as of the Senior Leadership Team and members of the Board of Directors.

22. Transition to IFRS

The Company's financial statements for the year ending December 31, 2011 are the first annual consolidated financial statements to comply with IFRS. The adoption of IFRS has not materially changed the Company's overall cash flows or operations; however, it has resulted in certain differences in recognition, measurement and disclosure as compared to CDN GAAP.

In preparing these financial statements and the disclosures included in these financial statements, all comparative amounts have been restated to comply with IFRS, except where the Company has applied the optional exceptions and mandatory exemptions under IFRS 1. The Company has reconciled the following financial statements as prepared under CDN GAAP to those prepared under IFRS:

- Consolidated balance sheets as at January 1, 2010 and December 31, 2010.
- Consolidated shareholders' equity as at January 1, 2010 and December 31, 2010.
- Consolidated statements of operations for the year ended December 31, 2010.
- Consolidated statements of comprehensive income for the year ended December 31, 2010.

The adoption of IFRS did not have a material impact on the Company's consolidated statements of cash flows under IFRS as compared to CDN GAAP. Certain cash flows, however, were reclassified.

For the year ended December 31, 2010, net operating cash flows under IFRS increased by $33.8 million. Cash flows provided from investing activities decreased by $18.1 million, and cash flows used in financing activities increased by $15.7 million. The decrease in cash provided from investing activities resulted from the capitalization of $76.7 million of exploration and evaluation costs under IFRS, partially offset by $12.1 million in borrowing costs and $41.5 million in transaction costs related to the Red Back acquisition that were capitalized under CDN GAAP but expensed under IFRS, and $5.0 million of interest received during the period which was included in operating cash flows under CDN GAAP and investing cash flows under IFRS. The increase in cash flows used in financing activities resulted from the reclassification of $15.7 million of interest paid during the period which was included in operating cash flows under CDN GAAP.

i. Mandatory exceptions

Mandatory exceptions applicable to the Company are as follows:

(a) Hedge accounting

Hedge accounting can only be applied to those transactions that satisfy conditions under IAS 39 at the transition date. Transactions entered into before the transition date are not permitted to be retrospectively designated as hedges if they did not meet the conditions for hedge accounting in IAS 39. All hedging relationships to which the Company applied hedge accounting under CDN GAAP also qualify for hedge accounting under IFRS at the transition date. As a result, hedge accounting has been applied under IFRS to the same relationships as it was applied to under CDN GAAP.

(b) Estimates

Estimates made at the transition date under CDN GAAP must be consistent with estimates made under IFRS unless they require adjustment to reflect a revised accounting policy. At the transition date, hindsight has not been used to create or revise estimates.

ii. Optional exemptions

The significant optional exemptions elected and applied by the Company are as follows:

(a) Business combinations

Business combinations that occurred prior to the transition date have not been restated. Business combinations

that occurred during the year ended December 31, 2010 have been restated to comply with IFRS 3 "Business Combinations". The impact of the restatement of business combinations is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

(b) Provision for reclamation and remediation

The provision for reclamation and remediation (decommissioning liability) as at the transition date has been measured in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The Company estimated the amount that would have been included in the cost of the related asset when the liability first arose by discounting the liabilities to that date using its best estimate of the historical risk-adjusted discount rates that would have applied for the liabilities over periods prior to the transition date. Accumulated depreciation on the cost at the transition date was determined using the UOP depreciation method based on the current estimate of the life of mine and the recoverable ounces to be mined from estimated proven and probable reserves. The impact of the restatement of the provision for reclamation and remediation is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

(c) Borrowing costs

IAS 23 "Borrowing Costs" has been applied prospectively from the transition date. As a result, the carrying value at the transition date of previously capitalized borrowing costs, as determined under CDN GAAP, has been reversed with an adjustment to opening accumulated deficit and property, plant and equipment. The impact of the restatement of borrowing costs is described in the explanatory notes following the reconciliations between CDN GAAP and IFRS.

iii. Reconciliations between CDN GAAP and IFRS

The following reconciliations summarize the impact on the Company's CDN GAAP financial statements as a result of adopting IFRS. Explanations of the impact of the adjustments are provided in the explanatory notes following the reconciliations.

Reconciliation of Consolidated Balance Sheet at January 1, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re- classifications Note (a)	IFRS	IFRS Accounts
Assets						**Assets**
Current assets						Current assets
Cash, cash equivalents and short-term investments		$ 632.4	$ —	$ (35.0)	$ **597.4**	Cash and cash equivalents
Restricted Cash		24.3	—	—	**24.3**	Restricted cash
			—	35.0	**35.0**	Short term investments
Accounts receivable and other assets		135.5	—	—	**135.5**	Accounts receivable and other assets
Inventories		554.4	—	—	**554.4**	Inventories
Unrealized fair value of derivative assets		44.3	—	—	**44.3**	Unrealized fair value of derivative assets
		1,390.9	—	—	**1,390.9**	
						Non-current assets
Property, plant and equipment	(e)(f)(g)(h)(k)	4,989.9	(153.2)	—	**4,836.7**	Property, plant and equipment
Goodwill		1,179.9	—	—	**1,179.9**	Goodwill
Long-term investments	(m)	292.2	16.3	(150.7)	**157.8**	Long-term investments
		—	—	150.7	**150.7**	Investments in associates and Working Interest
Unrealized fair value of derivative assets		1.9	—	—	**1.9**	Unrealized fair value of derivative assets
Deferred charges and other long-term assets		158.4	—	—	**158.4**	Deferred charges and other long-term assets
		$ 8,013.2	$ (136.9)	$ —	$ **7,876.3**	
Liabilities						**Liabilities**
Current liabilities						Current liabilities
Accounts payable and accrued liabilities	(j)	$ 312.9	$ (0.9)	$ (24.4)	$ **287.6**	Accounts payable and accrued liabilities
		—	—	24.4	**24.4**	Current tax payable
Current portion of long-term debt		177.0	—	—	**177.0**	Current portion of long-term debt
Current portion of reclamation and remediation obligations		17.1	—	—	**17.1**	Current portion of provisions
Current portion of unrealized fair value of derivative liabilities	(d)	131.0	83.6	—	**214.6**	Current portion of unrealized fair value of derivative liabilities
		638.0	82.7	—	**720.7**	
						Non-current liabilities
Long-term debt	(c)	515.2	(39.4)	—	**475.8**	Long-term debt
	(e)(n)	—	169.0	279.5	**448.5**	Provisions
	(c)	—	77.2	212.8	**290.0**	Unrealized fair value of derivative liabilities
Other long-term liabilities		543.0	—	(492.3)	**50.7**	Other long-term liabilities
Future income and mining taxes	(e)(f)(g)(h)(i)(k)(n)	624.6	(390.3)	—	**234.3**	Deferred tax liabilities
		2,320.8	(100.8)	—	**2,220.0**	
Non-controlling interest		132.9	—	(132.9)	**—**	
						Equity
Common shareholders' equity						Common shareholders' equity
Common share capital and common share purchase warrants	(d)	6,448.1	(68.8)	—	**6,379.3**	Common share capital and common share purchase warrants
Contributed surplus	(c)(j)	169.6	(62.2)	—	**107.4**	Contributed surplus
Accumulated deficit		(838.1)	97.5	—	**(740.6)**	Accumulated deficit
Accumulated other comprehensive loss	(n)	(220.1)	1.7	—	**(218.4)**	Accumulated other comprehensive loss
		5,559.5	(31.8)	—	**5,527.7**	
	(e)(f)(g)		(4.3)	132.9	**128.6**	Non-controlling interest
		5,559.5	(36.1)	132.9	**5,656.3**	
		$ 8,013.2	$ (136.9)	$ —	$ **7,876.3**	

Reconciliation of Consolidated Balance Sheet at December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	Opening balance sheet adjustments	IFRS adjustments	Re - classifications Note (a)	IFRS	IFRS Accounts
Assets							**Assets**
Current assets							Current assets
Cash, cash equivalents and short-term investments		$ 1,466.6	$ —	$ —	$ —	$ **1,466.6**	Cash and cash equivalents
Restricted cash		2.1	—	—	—	**2.1**	Restricted cash
Accounts receivable and other assets		329.4	—	—	—	**329.4**	Accounts receivable and other assets
Inventories	(b)	737.0	—	(5.4)	—	**731.6**	Inventories
Unrealized fair value of derivative assets		133.4	—	—	—	**133.4**	Unrealized fair value of derivative assets
		2,668.5	—	(5.4)	—	**2,663.1**	
							Non-current assets
Property, plant and equipment	(b)(e)(f)(g)(h)(k)	6,911.5	(153.2)	1,126.3	—	**7,884.6**	Property, plant and equipment
Goodwill	(b)	5,980.0	—	377.9	—	**6,357.9**	Goodwill
Long-term investments	(m)	629.9	16.3	(16.3)	(426.1)	**203.8**	Long-term investments
	(l)		—	41.4	426.1	**467.5**	Investments in associates and Working Interest
Unrealized fair value of derivative assets		2.6	—	—	—	**2.6**	Unrealized fair value of derivative assets
Deferred charges and other long-term assets		204.6	—	—	—	**204.6**	Deferred charges and other long-term assets
	(i)		—	11.1	—	**11.1**	Deferred tax assets
		$ 16,397.1	$ (136.9)	$ 1,535.0	$ —	$ **17,795.2**	
Liabilities							**Liabilities**
Current liabilities							Current liabilities
Accounts payable and accrued liabilities	(b)(i)(j)	$ 496.6	$ (0.9)	$ (10.5)	$ (76.2)	$ **409.0**	Accounts payable and accrued liabilities
	(i)		—	11.4	76.2	**87.6**	Current tax payable
Current portion of long-term debt		48.4	—	—	—	**48.4**	Current portion of long-term debt
Current portion of reclamation and remediation obligations	(e)	23.1	—	0.3	—	**23.4**	Current portion of provisions
Current portion of unrealized fair value of derivative liabilities	(d)	359.3	83.6	(35.2)	—	**407.7**	Current portion of unrealized fair value of derivative liabilities
		927.4	82.7	(34.0)	—	**976.1**	
							Non-current liabilities
Long-term debt	(c)	454.6	(39.4)	10.8	—	**426.0**	Long-term debt
	(b)(e)(n)		169.0	37.0	371.8	**577.8**	Provisions
	(c)		77.2	(38.3)	58.1	**97.0**	Unrealized fair value of derivative liabilities
Other long-term liabilities	(b)	532.4	—	12.5	(429.9)	**115.0**	Other long-term liabilities
Future income and mining taxes	(b)(e)(f)(g)(h)(i)(k)(l)(n)	883.8	(390.3)	316.5	—	**810.0**	Deferred tax liabilities
		2,798.2	(100.8)	304.5	—	**3,001.9**	
Non-controlling interest		198.4	—	—	(198.4)	**—**	
							Equity
Common shareholders' equity							Common shareholders' equity
Common share capital and common share purchase warrants	(b)(j)	13,468.6	(68.8)	1,176.6	—	**14,576.4**	Common share capital and common share purchase warrants
Contributed surplus	(b)(j)	231.7	(62.2)	16.0	—	**185.5**	Contributed surplus
Accumulated deficit		(137.1)	97.5	(11.9)	—	**(51.5)**	Accumulated deficit
Accumulated other comprehensive loss	(m)(n)	(162.7)	1.7	(18.3)	—	**(179.3)**	Accumulated other comprehensive loss
		13,400.5	(31.8)	1,162.4	—	**14,531.1**	
	(b)(e)(f)(g)		(4.3)	68.1	198.4	**262.2**	Non-controlling interest
		13,400.5	(36.1)	1,230.5	198.4	**14,793.3**	
		$ 16,397.1	$ (136.9)	$ 1,535.0	$ —	$ **17,795.2**	

Reconciliation of Consolidated Shareholders' Equity

	Reference	As at December 31, 2010	As at January 1, 2010
Common shareholders' equity under Canadian GAAP		$ 13,400.5	$ 5,559.5
Differences increasing (decreasing) reported shareholder's equity:			
Business combinations	(b)	1,347.1	—
Convertible notes	(c)	27.5	(37.8)
Warrants	(d)	35.2	(83.6)
Provision for reclamation and remediation	(e)	2.0	(59.0)
Borrowing costs	(f)	(4.0)	(38.8)
Exploration and evaluation	(g)	62.4	63.1
Deferred tax on asset acquisitions	(h)	(39.9)	(26.7)
Income taxes	(i)	12.4	131.4
Share-based payments	(j)	(0.9)	0.9
Impairment of Property, plant and equipment	(k)	(297.5)	6.8
Interest in joint ventures	(l)	34.4	—
Investment in associates	(m)	(16.3)	16.3
Other	(n)	—	(4.4)
IFRS adjustments		1,162.4	(31.8)
Impact of January 1, 2010 IFRS adjustments		(31.8)	—
Equity attributed to common shareholders		**14,531.1**	**5,527.7**
Non-controlling interests	(b)(e)(f)(g)	262.2	128.6
Equity under IFRS		**$ 14,793.3**	**$ 5,656.3**

KINROSS GOLD CORPORATION
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Reconciliation of Consolidated Statement of Operations for the year ended December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re - classifications Note (a)	IFRS	IFRS Accounts
Revenue						**Revenue**
Metal sales		$ 3,010.1	$ —	$ —	$ **3,010.1**	Metal sales
Operating costs and expenses						**Cost of sales**
Cost of sales (excludes accretion and reclamation, depreciation, depletion and amortization)	(b)(i)	1,255.4	(6.4)	—	**1,249.0**	Production cost of sales
Accretion and reclamation expense		29.0	—	(29.0)	**—**	
Depreciation, depletion and amortization	(b)(e)(f)(g)(k)	517.5	34.0	—	**551.5**	Depreciation, depletion and amortization
			27.6	(29.0)	**1,800.5**	**Total Cost of sales**
		1,208.2	(27.6)	29.0	**1,209.6**	**Gross Profit**
Other operating costs	(a)(e)(g)	53.8	(45.8)	8.1	**16.1**	Other operating costs
Exploration and business development	(g)(k)	142.7	257.9	—	**400.6**	Exploration and business development
General and administrative	(j)	144.5	(0.5)	—	**144.0**	General and administrative
Operating earnings		867.2	(239.2)	20.9	**(648.9)**	**Operating earnings**
Other income (expense) - net	(b)(c)(d)(i)(l)	293.0	295.2	26.1	**614.3**	Other income (expense) — net
	(m)		2.0	(3.9)	**(1.9)**	Equity in losses of associates
			—	5.8	**5.8**	Finance income
	(b)(c)(e)(f)		(15.6)	(46.6)	**(62.2)**	Finance expense
Earnings before taxes and other items		1,160.2	42.4	2.3	**1,204.9**	**Earnings before taxes**
Income and mining taxes expense — net	(b)(e)(f)(g)(h)(i)(k)(l)	(275.4)	(51.2)	(6.2)	**(332.8)**	Income tax expense — net
Equity in losses of associated companies		(3.9)	—	3.9	**—**	
Non-controlling interest		(109.3)	—	109.3	**—**	
Net earnings		$ 771.6	$ (8.8)	$ 109.3	$ **872.1**	**Net earnings**
	(b)(e)(f)(g)		$ 3.1	$ 109.3	$ **112.4**	**Attributed to non-controlling interest**
					$ **759.7**	**Attributed to common shareholders**
Earnings per share						**Earnings per share**
Basic		$ 0.94			$ **0.92**	Basic
Diluted		$ 0.93			$ **0.92**	Diluted
Weighted average number of common shares outstanding (millions)						**Weighted average number of common shares outstanding** (millions)
Basic		824.5			**824.5**	Basic
Diluted		829.2			**829.2**	Diluted

KINROSS GOLD CORPORATION
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Reconciliation of Consolidated Statement of Comprehensive Income for the year ended December 31, 2010

CDN GAAP Accounts	Reference	CDN GAAP	IFRS adjustments	Re - classifications Note (a)	IFRS	IFRS Accounts
Net earnings		$ 771.6	$ (8.8)	$ 109.3	$ **872.1**	Net earnings
Other comprehensive income (loss), net of tax:						**Other comprehensive income (loss), net of tax:**
Change in fair value of investments	(m)	331.4	(18.3)	—	**313.1**	Change in fair value of investments
Accumulated OCI related to investments sold		(70.8)	—	—	**(70.8)**	Accumulated OCI related to investments sold
Reclassification of accumulated OCI related to the investment in Red Back		(209.3)	—	—	**(209.3)**	Reclassification of accumulated OCI related to the investment in Red Back
Reclassification of accumulated OCI related to the investment in Underworld		(7.4)	—	—	**(7.4)**	Reclassication of accumulated OCI related to the investment in Underworld
Change in fair value of derivative financial instruments designated as cash flow hedges		(75.2)	—	—	**(75.2)**	Change in fair value of derivative financial instruments designated as cash flow hedges
Accumulated OCI related to derivatives settled		88.7	—	—	**88.7**	Accumulated OCI related to derivatives settled
		57.4	(18.3)	—	**39.1**	
Total comprehensive income		$ 829.0	$ (27.1)	$ 109.3	$ **911.2**	**Total comprehensive income**
					$ **112.4**	**Attributed to non-controlling interest**
					$ **798.8**	**Attributed to common shareholders**

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2011 and 2010
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iv. Explanatory notes

(a) Reclassifications

The following items have been reclassified from their presentation under CDN GAAP to conform to the presentation under IFRS:

Consolidated balance sheets:

- Cash and cash equivalents is separately disclosed under IFRS; therefore, short-term investments which were grouped with cash and cash

equivalents under CDN GAAP have been reclassified to short-term investments, where applicable;
- Current tax payable is now presented on the face of the consolidated balance sheets, reclassified from accounts payable and accrued liabilities;
- Investments accounted for using the equity method under CDN GAAP are defined as associates under IFRS and have been reclassified from long-term investments to investments in associates and Working Interest;
- Non-current portion of unrealized fair value of derivative liabilities have been reclassified from other long-term liabilities to a separate line item;
- Reclamation and remediation obligations, current and long-term portions, have been reclassified to provisions; and
- Non-controlling interest has been reclassified to equity.

Consolidated statements of operations:

- Accretion and interest expenses, other than those related to income taxes, included in other income (expense) under CDN GAAP are considered finance expense and have been reclassified as such;
- Reclamation expenses included in accretion and reclamation expense under CDN GAAP have been reclassified to production cost of sales, where applicable;
- Interest, penalties and foreign exchange on income taxes included in other income (expense) under CDN GAAP has been reclassified to income tax expense-net;
- Interest income included in other income (expense) under CDN GAAP has been reclassified to finance income; and
- Non-controlling interest has been eliminated as a line item to arrive at net income as IFRS requires net earnings to be attributed to common shareholders and non-controlling interests.

(b) Business combinations

On September 17, 2010, the Company completed the acquisition of all of the issued and outstanding shares of Red Back that it did not previously own. As disclosed in Note 6(iii), during the second quarter of 2011, the Company finalized the purchase price allocation in respect of the acquisition of Red Back. The consideration paid and the purchase price allocation for the acquisition of Red Back as previously reported under CDN GAAP and as finalized under IFRS are presented below.

Red Back Purchase Price

	Reference	Preliminary CDN GAAP	Adjustment	Final IFRS
Common shares issued (416.4 million)	(i)	$ 6,549.3	$ 1,129.0	$ 7,678.3
Fair value of warrants issued (25.8 million)	(i)	117.7	43.6	161.3
Fair value of options issued (8.7 million)	(i)	69.8	21.4	91.2
Shares previously acquired	(ii)	580.3	209.3	789.6
Acquisition costs	(iii)	41.5	(41.5)	—
Total Purchase Price		7,358.6	1,361.8	8,720.4

Red Back Purchase Price Allocation

	Reference	Preliminary CDN GAAP	Adjustment	Final IFRS
Cash and cash equivalents		$ 742.6	$ —	$ 742.6
Accounts receivable and other assets		27.0	—	27.0
Inventories	(vii)	115.2	(3.4)	111.8
Property, plant and equipment (including mineral interests)	(iv)	1,765.8	1,439.6	3,205.4
Accounts payable and accrued liabilities	(vii)	(103.4)	2.6	(100.8)
Future income and mining tax liabilities/Deferred tax liabilities	(v)	(311.5)	(371.5)	(683.0)
Provisions (1)	(iv)	(11.8)	(5.9)	(17.7)
Other long-term liabilities	(vii)	(22.5)	(12.5)	(35.0)
Non-controlling interest	(vi)	(3.9)	(65.0)	(68.9)
Goodwill	(viii)	5,161.1	377.9	5,539.0
Total Purchase Price		7,358.6	1,361.8	8,720.4

(1) Under CDN GAAP, provisions were included in other long-term liabilities, amounts were reclassified under IFRS

i. As consideration for the acquisition, the Company issued 416.4 million common shares and 25.8 million US$ warrants to the shareholders of Red Back, as well as 8.7 million fully vested replacement options to the option holders of Red Back.

Under CDN GAAP, the equity consideration was measured at its fair value at the date the acquisition was announced, August 2, 2010. The fair value of the common shares issued was $6,549.3 million and the fair values of warrants, and replacement options issued were $117.7 million, and $69.8 million, respectively, resulting in a total fair value of $6,736.8 million.

Under IFRS, the equity consideration was measured at its fair value on the acquisition date, September 17, 2010. The fair value of the common shares issued was $7,678.3 million and the fair values of the warrants, and replacement options issued were $161.3 million, and $91.2 million, respectively, resulting in a total fair value of $7,930.8 million. The differences in the measurement of the total equity consideration under IFRS resulted in an increase in the purchase price of $1,194.0 million with a corresponding increase in goodwill. As a result, common share capital and common share purchase warrants increased by $1,172.6 million and contributed surplus by $21.4 million.

ii. Under CDN GAAP, the Company's initial investment in Red Back was included in the total purchase price of the acquisition at its original cost of $580.3 million. Under IFRS, the Company's initial investment in Red Back was included in the total purchase price of the acquisition at its fair value

on the acquisition date, September 17, 2010. The fair value of the Company's initial investment in Red Back on the acquisition date was $789.6 million. The difference in the measurement of Kinross' initial investment in Red Back under IFRS resulted in an increase in the purchase price of $209.3 million with a corresponding increase in goodwill.

Prior to the acquisition, the Company accounted for its investment in Red Back shares as an available-for-sale investment under both CDN GAAP and IFRS. For CDN GAAP, unrealized gains recorded in OCI were reversed against the carrying value of the investment at the acquisition date. Under IFRS, unrealized gains recorded in OCI of $209.3 million were reversed through net earnings in other income (expense) at the acquisition date.

iii. Under CDN GAAP, $41.5 million of acquisition-related costs were included in the determination of the purchase price of the acquisition. Under IFRS, acquisition-related costs were expensed in other income (expense) in the period and were not included in the determination of the purchase price. This difference in the treatment of acquisition-related costs under IFRS resulted in a decrease in the purchase price of $41.5 million with a corresponding decrease in goodwill.

iv. Under CDN GAAP, a portion of the purchase price relating to expected additional value is allocated to goodwill. Under IFRS, the amount related to expected additional value is allocated to mineral interests within property, plant and equipment. As a result, $1,694.4 million was reallocated from goodwill to property, plant and equipment (including mineral interests). Also, under CDN GAAP, the fair values of the Chirano assets were measured at 90% of their fair value. However, for IFRS, these fair values were measured at 100% of their fair value. The difference in the measurement of the fair value of the Chirano assets for IFRS resulted in an increase in property, plant and equipment (including mineral interests) of $66.9 million, and a corresponding decrease in goodwill of $66.9 million.

As a result of the finalization of the purchase price allocation, property, plant and equipment (including mineral interests) decreased by $321.7 million, and provisions increased by $5.9 million resulting in an increase in goodwill of $327.6 million.

v. As a result of the preliminary adjustments to the purchase equation and fair value allocations under IFRS, deferred income tax under IFRS increased by $440.5 million and goodwill increased by a corresponding amount.

As a result of the finalization of the purchase price allocation under IFRS, deferred income tax liabilities under IFRS decreased by $69.0 million resulting in a corresponding decrease in goodwill.

vi. Under IFRS, the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree is measured at fair values on the acquisition date. The Company holds a 90% interest in the Chirano mine with the Government of Ghana having the right to the remaining 10%.

Based on the preliminary valuation of Chirano assets, under CDN GAAP, non-controlling interest was measured at its book value of $3.9 million. Under IFRS, non-controlling interest was measured at its fair value of $68.8 million, being 10% of the fair value of the net assets acquired on September 17, 2010, the acquisition date. This difference in the measurement of non-controlling interest under IFRS resulted in an increase in non-controlling interest of $64.9 million and a corresponding increase in goodwill.

As a result of the finalization of the purchase price allocation, non-controlling interest increased by $0.1 million, resulting in a corresponding increase in goodwill.

vii. As a result of the finalization of the purchase price allocation, inventories and accounts payable and accrued liabilities decreased by $3.4 million and $2.6 million, respectively, and other long-term liabilities increased by $12.5 million. Goodwill increased by $13.3 million related to these adjustments.

viii. The total adjustments in the IFRS preliminary purchase price allocation resulted in an increase in goodwill of $105.9 million as compared to CDN GAAP. As a result of the finalization of the purchase price allocation goodwill was further increased by $272.0 million.

On finalization of the purchase price allocation, goodwill previously included in the corporate and other segment was adjusted to reflect the final purchase price allocation and allocated to the Tasiast ($4,620.4 million) and Chirano ($918.6 million) properties. None of the goodwill recognized is expected to be deductible for tax purposes.

Based on the preliminary purchase price allocations, during the period from the acquisition date to December 31, 2010, the accounting under IFRS resulted in an increase in depreciation, depletion and amortization of $3.0 million with a corresponding decrease in property, plant and equipment (including mineral interests) and a decrease of $0.9 million in both income tax expense and deferred income tax. In addition, on the exercise of options granted as part of the acquisition, $4.4 million of the option valuation adjustment to contributed surplus under IFRS described in (i), above, was reallocated from contributed surplus to common share capital.

As a result of finalizing the purchase price allocation, during the period from the acquisition date to December 31, 2010, depreciation, depletion and amortization further increased by $17.4 million with a corresponding decrease in property, plant and equipment (including mineral interests); production cost of sales increased by an additional $2.0

million with a corresponding decrease in inventories. In addition, property, plant and equipment and the provision for reclamation and remediation obligations increased by $1.1 million and finance expense and accounts payable and accrued liabilities decreased by $0.1 million. Income tax expense and deferred

income tax both decreased by an additional $5.7 million and income attributed to non-controlling interest and non-controlling interest decreased by $1.0 million.

(c) Convertible notes

Under IFRS, the conversion options attached to the convertible notes which provide the Company with the option to settle the conversions in cash are treated as embedded derivatives. As these embedded derivatives are not closely related to the underlying debt, they are separated from the underlying debt and classified as a derivative liability. On initial recognition, this derivative liability was measured at fair value. The difference between the proceeds of the convertible debt and the fair value of the derivative liability was determined to be the carrying value of the underlying debt. Subsequent to initial recognition, the derivative liability is recorded at fair value each reporting period with changes in its fair value being recognized in the consolidated statement of operations. The underlying debt is accreted to its face value using the effective interest method.

Under CDN GAAP, the value of the convertible notes consisted of a debt component and an equity component. On initial recognition, the fair value of the debt component was determined, and the difference between the proceeds and the fair value of the debt component was treated as equity. Subsequent to initial recognition, the debt component was accreted to its face value using the effective interest method. The equity component was not revalued.

On transition, the accounting under IFRS resulted in an increase in unrealized fair value of derivative liabilities of $77.2 million, a decrease in long-term debt of $39.4 million, and a decrease in contributed surplus of $76.6 million. As a result, the accumulated deficit decreased by $38.8 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in an increase of $38.3 million in income included in other income (expense) with a corresponding decrease in unrealized fair value of derivative liabilities. Finance expense increased by $10.8 million with a corresponding increase in long-term debt.

(d) Warrants

Under IFRS, the outstanding CDN$ denominated common share purchase warrants, related to the Bema and Aurelian acquisitions, are considered derivative instruments and have been reclassified as liabilities measured at fair value. On initial recognition and at each subsequent reporting date the derivatives are adjusted to fair value and changes in fair value are recognized in the consolidated statement of operations.

Under CDN GAAP, the Company accounted for its CDN$ denominated warrants as equity instruments measured at their historical cost.

On transition, the accounting under IFRS resulted in an increase of $83.6 million in current unrealized fair value of derivative liabilities, a decrease of $68.8 million in common share capital and common share purchase warrants and an increase of $14.8 million in accumulated deficit.

During the year ended December 31, 2010, the decrease in the fair value of the warrants as determined under IFRS resulted in an increase of $35.2 million in income included in other income (expense) with a corresponding decrease in current portion of unrealized fair value of derivative liabilities.

(e) Provision for reclamation and remediation

Under IFRS, the Company recognizes a provision based on the estimated amount to be paid out at the time of decommissioning, discounted using a pre-tax discount rate that reflects the market's assessment of the time value of money and the risks specific to the liability at the reporting date. IFRS also requires changes in the liability to be recorded each period based on changes in discount rates in addition to changes in estimated timing or amount of future cash flows.

As a result of applying the IFRS 1 election related to reclamation and remediation obligations, the Company

estimated the amount that would have been included in the cost of the reclamation and remediation asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate that would have applied for that liability over the periods prior to the transition date. Accumulated depreciation on the cost at the transition date was determined using the UOP method based on the current estimate of the life of mine and the recoverable ounces to be mined from estimated proven and probable reserves.

Under CDN GAAP, the Company recorded a provision for reclamation and remediation based on the estimated amount to be paid out at the time of decommissioning discounted to the current date using a credit adjusted risk free rate. Subsequent to a provision for reclamation and remediation being recorded, changes to the estimated liability, other than accretion, were recorded only as a result of changes in the timing or amount of future cash flows to settle the obligations.

On transition to IFRS, the provision for reclamation and remediation was increased by $163.4 million in the opening balance sheet. The application of the IFRS 1 exemption resulted in an increase of $85.4 million to the carrying value of property, plant and equipment in the opening balance sheet. These adjustments resulted in an increase in the Company's accumulated deficit of $59.0 million, net of related income tax of $18.5 million and non-controlling interest of $0.5 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in an increase of $8.1 million in depreciation, depletion and amortization and a decrease of $1.9 million in production cost of sales. Property, plant and equipment increased by $31.3 million and provisions increased by $30.3 million. Finance expense (accretion) decreased by $7.2 million and both income attributed to non-controlling interest and non-controlling interest decreased by $0.2 million. Income tax expense and deferred income tax liabilities both decreased by $0.8 million.

(f) Borrowing costs

Under IFRS, IAS 23 "Borrowing Costs" ("IAS 23") provides specific guidance on the requirement to capitalize borrowing costs related to qualifying assets. IFRS 1 provides an optional exemption permitting the application of IAS 23 prospectively. In applying this exemption, the Company reversed the amount of capitalized interest included in the balance sheet at the transition date under CDN GAAP with a corresponding adjustment to accumulated deficit on the transition date.

Under CDN GAAP, the Company may choose to adopt a policy to capitalize borrowing costs attributable to property, plant and equipment under certain conditions. In addition, CDN GAAP does not provide specific guidance as to identifying qualifying assets.

On transition to IFRS, the Company elected to apply IAS 23 prospectively as permitted under IFRS 1. The reversal of previously capitalized borrowing costs resulted in a reduction in the carrying value of property, plant and equipment of $59.5 million in the Company's opening balance sheet. This adjustment resulted in an increase in the Company's accumulated deficit of $38.8 million, net of related income tax of $15.2 million and non-controlling interest of $5.5 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in decreases of $8.7 million in depreciation, depletion and amortization, $3.4 million in property, plant and equipment and $0.9 million in deferred tax liabilities and income tax expense. Interest expense included in finance expense increased by $12.1 million and income attributed to non-controlling interest and non-controlling interest were each increased by $1.5 million.

(g) Exploration and evaluation

Under IFRS, except in the case of acquired exploration assets, E&E costs are expensed as incurred until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period. Thereafter, exploration and evaluation costs are capitalized prospectively. Upon demonstration of technical feasibility and commercial viability, capitalized E&E costs are transferred to capitalized development costs within property, plant and equipment. Acquired exploration assets are always capitalized.

Under CDN GAAP, except in the case of acquired exploration assets, exploration and evaluation costs incurred prior to establishing proven and probable reserves for an exploration property or to expand existing properties were expensed as incurred. Once proven and probable reserves for a project were established and the Company determined that the property could be economically developed, further exploration and evaluation costs were capitalized prospectively.

On transition to IFRS, in the opening balance sheet, the change in accounting policy resulted in an increase of $74.4 million in property, plant and equipment and $9.6 million in deferred tax liabilities and a decrease of $63.1 million in the accumulated deficit. Non-controlling interest increased by $1.7 million. Of the amount capitalized to property, plant and equipment, $25.8 million related to capitalized E&E costs and the balance related to capitalized development costs.

During the year ended December 31, 2010, the accounting under IFRS resulted in increases of $71.8 million in property plant and equipment and $4.9 million in depreciation, depletion and amortization. Other operating costs and exploration and business development expenses decreased by $43.9 million and $32.8 million, respectively. Income tax expense increased by $6.6 million with a corresponding increase in deferred income tax. In addition, income attributed to non-controlling interest and non-controlling interest both increased by $2.8 million. Of the amount capitalized to property, plant and equipment, $45.5 million related to capitalized E&E costs, the balance related to capitalized development costs.

(h) Deferred tax on prior asset acquisitions

Under IFRS, a deferred tax liability or asset is not recognized if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination.

Under CDN GAAP, when an asset is acquired other than in a business combination and the tax basis of that asset is less than or more than its cost, the cost or benefit of future income taxes recognized at the time of acquisition should be added to or deducted from the cost of the asset and the future tax liability or asset recognized.

On transition, the accounting required under IFRS resulted in a decrease in property, plant and equipment of $262.8 million and future income tax liabilities by $236.1 million. The difference of $26.7 million was an increase to the accumulated deficit.

During the year ended December 31, 2010, the accounting under IFRS resulted in decreases in property, plant and equipment of $93.7 million and $53.5 million in deferred tax liabilities. As a result of the reversal of deferred tax on transition and during the year, the Company recorded an increase of $39.9 million in income tax expense and a decrease in accounts payable and accrued liabilities of $0.3 million.

(i) Income taxes

Under IFRS, in the determination of temporary differences, the carrying value of non-monetary assets and liabilities is translated into the functional currency at the historical rate and compared to its tax value translated into the functional currency at the current rate. The resulting temporary difference (measured in the functional currency) is then multiplied by the appropriate tax rate to determine the related deferred tax balance.

Under CDN GAAP, in the determination of temporary differences related to non monetary assets and liabilities, the temporary differences computed in local currency are multiplied by the appropriate tax rate. The resulting future income tax amount is then translated into the Company's functional currency if it is different from the local currency.

On transition, the accounting under IFRS related to the determination of temporary differences of foreign currency non-monetary assets and liabilities resulted in an opening balance sheet adjustment to decrease future income taxes and the accumulated deficit by approximately $98.0 million on transition to IFRS.

In addition, on transition, other changes in the determination of timing differences under IFRS resulted in a decrease to future tax liabilities of $33.4 million, with a corresponding decrease to the accumulated deficit.

During the year ended December 31, 2010, income tax expense was increased by $8.5 million. Current tax payable was increased by $11.4 million, deferred tax assets were increased by $11.1 million, and deferred tax liabilities were decreased by $4.3 million. In addition, accounts payable and accrued liabilities and production cost of sales decreased by $8.4 million. Expenses included in other income (expense) were decreased by $12.5 million.

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(j) Share-based payments

Under IFRS, IFRS 2 "Share-based Payment" has been applied to equity instruments granted after November 7, 2002 that had not vested prior to the transition date. Where options and restricted share units issued under the Company's share-based compensation plans that vest over a number of periods, each vesting amount is valued as a separate tranche and each tranche is amortized over its vesting period.

Under CDN GAAP, stock options and restricted share units that were subject to graded vesting, i.e. that vest in equal increments over a three year period, were treated as a single grant for purposes of valuation. The value of the grant was then amortized evenly over the vesting period. The result of the treatment under IFRS as compared with CDN GAAP is generally to accelerate the recognition of compensation costs.

On transition, the accounting under IFRS resulted in decreases of $0.9 million in accounts payable and accrued liabilities and increases of $14.4 million in contributed surplus and $13.5 million in accumulated deficit.

During the year ended December 31, 2010, the accounting required under IFRS resulted in a decrease of $0.5 million in general and administrative expense, and an increase of $0.9 million in accounts payable and accrued liabilities. Common share capital decreased by $0.4 million and contributed surplus decreased by $1.0 million.

(k) Impairment of property, plant and equipment

Under IFRS, IAS 36 "Impairment of Assets" ("IAS 36") requires an impairment charge to be recognized if the recoverable amount, determined as the higher of the estimated fair value less costs to sell or value in use, is less than the carrying amount. The impairment charge under IFRS is the amount by which the carrying amount exceeds the recoverable amount. In addition, impairment losses for assets other than goodwill are required to be reversed where circumstances requiring the impairment charge have changed and support the reversal.

Under CDN GAAP whenever the estimated future cash flows, on an undiscounted basis, of a property are less than the carrying amount of the property, an impairment loss is measured and recorded based on fair values. CDN GAAP does not permit the reversal of impairment losses recognized in prior periods under any circumstances.

Under CDN GAAP, no impairment charge was recognized for either goodwill or property, plant and equipment at December 31, 2010.

On transition to IFRS, following a comprehensive review of historical impairment charges, the Company determined that a portion of the previously recognized impairment loss relating to the Fort Knox mine should be reversed. The reversal was attributed to mineral interests in property, plant and equipment as a result of favourable changes in gold price and the introduction of the heap leach process enabling more economic gold recovery at the Fort Knox mine since the impairment charge was recorded in 2005. The impairment reversal resulted in increases of $9.3 million in property, plant and equipment and $2.5 million in deferred tax liabilities, and a decrease of $6.8 million in accumulated deficit.

During the year ended December 31, 2010, the amount of the impairment reversed on transition was fully amortized resulting in an increase in depreciation, depletion and amortization of $9.3 million with a corresponding decrease in property, plant and equipment and a decrease of $2.5 million in both deferred tax liabilities and income tax expense.

Under IFRS, the Company conducts an annual goodwill impairment test in accordance with the methodology described in Note 3(ix). In addition, the carrying value of property, plant and equipment is tested for impairment when there are events and circumstances that indicate that the carrying value of the underlying assets might not be recoverable.

At December 31, 2010, the Company completed its annual goodwill impairment testing under IFRS in accordance with the methodology described in Note 3(ix) and it was determined that there was no impairment to goodwill. As at December 31, 2010, the Company determined that the recoverable amount determined as the fair value less costs to sell of Fruta del Norte, a pre-development project in Ecuador, was less than its carrying amount. The estimate of fair value less costs to sell was based on the accounting policy described in Note 3(ix). As such, an impairment charge of $290.7 million was recorded in exploration and business development costs in the consolidated statement of operations for the year ended December 31, 2010 with a corresponding decrease in property, plant and equipment. Under CDN GAAP, no such impairment was recorded because the estimated future cash flows, on an undiscounted basis, of Fruta del Norte exceeded its carrying amount.

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(l) Interest in joint ventures

Under IFRS, in accordance with IAS 31 "Interests in Joint Ventures", when a jointly controlled entity becomes an associate as a result of a partial disposal, the investment retained is remeasured to fair value. As a result, the gain or loss on disposal is equal to the difference between the net proceeds and the carrying value for the interest disposed of plus the difference between the fair value of the retained interest and its carrying value prior to the disposal.

Under CDN GAAP, following a partial disposition of an investment where joint control is lost and the investment is to be accounted for using the equity method, the gain or loss on disposal is calculated as the difference between the net proceeds from the partial disposal and the carrying value of the investment disposed of. The retained interest in the investment is transferred to an equity method investment at its carrying value.

On transition, the accounting required under IFRS did not result in an adjustment.

On March 31, 2010, Kinross sold one half of its 50% interest in the Cerro Casale project, which was accounted for as a joint venture. As a result of the sale, the Company's interest was accounted for as an investment in an associate prospectively from March 31, 2010. The accounting under IFRS for the transfer from a joint venture to an investment in an associate resulted in an increase of $41.4 million in investments in associates with a corresponding increase in income included in other income (expense) related to the difference between the fair value of the retained interest in Cerro Casale and its carrying value prior to the disposition. At the transaction date, income tax expense and deferred tax liabilities were each increased by $7.0 million. There was no additional impact during the remainder of the year.

(m) Investments in associates

Under IFRS, determining whether significant influence exists considers, among other things, the Company's equity interest in an investment inclusive of potential voting rights, after giving effect to shares issued and those presently issuable by the investee.

Under CDN GAAP, the Company's investment in an investee is determined based on the number of shares issued and outstanding at the time the determination is made. CDN GAAP does not consider potential voting rights in determining whether an investor has significant influence over an investment.

On transition to IFRS, the Company recorded an adjustment to increase the carrying value of long-term investments by $16.3 million in the Company's opening balance sheet as a result of the change in classification of an investment from equity method to available-for-sale. As a result, the accumulated deficit was decreased by $16.3 million.

During the year ended December 31, 2010, the accounting under IFRS resulted in a decrease in equity in losses of associates of $2.0 million. In addition, as described above, during the year, the investment was reclassified as available-for-sale under CDN GAAP aligning the accounting treatment under CDN GAAP with IFRS. As a result, the opening IFRS adjustment was reversed and accumulated other comprehensive loss was increased by $18.3 million.

(n) Other

Other IFRS adjustments on transition resulted in increases of $5.6 million in provisions and $6.1 million in accumulated deficit, and decreases of $1.2 million in deferred tax liabilities and $1.7 million in accumulated other comprehensive loss.

23. Consolidating Financial Statements

The obligations of the Company under the senior notes are fully and unconditionally guaranteed by the following wholly-owned subsidiaries of the Company (the "guarantor subsidiaries"): Kinross Gold U.S.A., Inc., Round Mountain Gold Corporation, Kinross Brasil Mineração S.A., Aurelian Resources Inc., BGO (Bermuda) Ltd., Crown Resources Corporation, Fairbanks Gold Mining, Inc., Melba Creek Mining, Inc., Compania Minera Mantos de Oro, Compania Minera Maricunga, Red Back Mining Inc., and Red Back Mining Mauritania No. 2 Ltd.

The following tables contain separate financial information related to the guarantor subsidiaries as set out in the consolidating balance sheets as at December 31, 2011 and 2010 and the consolidating statements of operations and statements of cash flows for the years ended December 31, 2011 and 2010. For purposes of this information, the financial statements of Kinross Gold Corporation and of the guarantor subsidiaries reflect investments in subsidiary companies on an equity accounting basis.

Consolidating balance sheet as at December 31, 2011

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Assets							
Current assets							
Cash and cash equivalents	$ 1,062.7	$ 232.0	$ —	$ 1,294.7	$ 471.3	$ —	$ 1,766.0
Restricted cash	15.5	4.2	—	19.7	42.4	—	62.1
Short-term investments	—	—	—	—	1.3	—	1.3
Accounts receivable and other assets	4.6	148.8	—	153.4	156.0	—	309.4
Intercompany receivables	430.5	2,392.6	(893.4)	1,929.7	4,045.2	(5,974.9)	—
Inventories	—	368.2	—	368.2	608.0	—	976.2
Unrealized fair value of derivative assets	0.2	2.6	—	2.8	—	—	2.8
	1,513.5	3,148.4	(893.4)	3,768.5	5,324.2	(5,974.9)	3,117.8
Non-current assets							
Property, plant and equipment	15.4	2,953.2	—	2,968.6	5,990.8	—	8,959.4
Goodwill	—	424.5	—	424.5	2,995.8	—	3,420.3
Long-term investments	56.8	1.4	—	58.2	21.2	—	79.4
Investments in associates and working interest	—	—	—	—	502.5	—	502.5
Intercompany investments	12,283.7	5,808.9	(9,178.0)	8,914.6	6,992.2	(15,906.8)	—
Unrealized fair value of derivative assets	—	1.1	—	1.1	—	—	1.1
Deferred charges and other long-term assets	3.6	166.6	—	170.2	236.2	—	406.4
Long-term intercompany receivables	1,391.0	1,330.2	(1,341.1)	1,380.1	1,972.0	(3,352.1)	—
Deferred tax assets	—	24.3	—	24.3	(2.4)	—	21.9
	$ 15,264.0	$ 13,858.6	$ (11,412.5)	$ 17,710.1	$ 24,032.5	$ (25,233.8)	$ 16,508.8
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	$ 74.3	$ 218.0	$ —	$ 292.3	$ 283.0	$ —	$ 575.3
Intercompany payables	334.0	2,059.8	(981.4)	1,412.4	4,550.6	(5,963.0)	—
Current tax payable	—	44.4	—	44.4	38.5	—	82.9
Current portion of long-term debt	(0.3)	32.2	—	31.9	0.8	—	32.7

Current portion of provisions	—	28.0	—	28.0	10.1	—	38.1
Current portion of unrealized fair value of derivative liabilities	21.3	45.4	—	66.7	—	—	66.7
	429.3	2,427.8	(981.4)	1,875.7	4,883.0	(5,963.0)	795.7
Non-current liabilities							
Long-term debt	1,402.1	3.2	—	1,405.3	195.1	—	1,600.4
Provisions	13.2	416.9	—	430.1	167.0	—	597.1
Unrealized fair value of derivative liabilities	3.0	29.7	—	32.7	—	—	32.7
Other long-term liabilities	1.2	79.0	—	80.2	52.9	—	133.1
Long-term intercompany payables	1,024.8	1,637.0	(1,253.1)	1,408.7	1,955.3	(3,364.0)	—
Deferred tax liabilities	—	87.0	—	87.0	792.1	—	879.1
	2,873.6	4,680.6	(2,234.5)	5,319.7	8,045.4	(9,327.0)	4,038.1
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	$ 14,656.6	$ 3,246.8	$ (3,246.8)	$ 14,656.6	$ 17,617.2	$ (17,617.2)	$ 14,656.6
Contributed surplus	81.4	82.8	(82.8)	81.4	$ 1,137.7	(1,137.7)	81.4
Retained earnings (accumulated deficit)	(2,249.9)	5,894.1	(5,894.1)	(2,249.9)	$ (2,792.3)	2,792.3	(2,249.9)
Accumulated other comprehensive (loss)	(97.7)	(45.7)	45.7	(97.7)	$ (55.8)	55.8	(97.7)
	12,390.4	9,178.0	(9,178.0)	12,390.4	15,906.8	(15,906.8)	12,390.4
Non-controlling interest	—	—	—	—	80.3	—	80.3
	12,390.4	9,178.0	(9,178.0)	12,390.4	15,987.1	(15,906.8)	12,470.7
	$ 15,264.0	$ 13,858.6	$ (11,412.5)	$ 17,710.1	$ 24,032.5	$ (25,233.8)	$ 16,508.8

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Consolidating balance sheet as at December 31, 2010

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Assets							
Current assets							
Cash and cash equivalents	$ 151.9	$ 1,052.5	$ —	$ 1,204.4	$ 262.2	$ —	$ 1,466.6
Restricted cash	—	—	—	—	2.1	—	2.1
Short-term investments	—	—	—	—	—	—	—
Accounts receivable and other assets	83.0	114.0	—	197.0	132.4	—	329.4
Intercompany receivables	184.2	1,714.1	(529.2)	1,369.1	3,907.1	(5,276.2)	—
Inventories	—	240.7	—	240.7	490.9	—	731.6
Unrealized fair value of derivative assets	69.4	88.4	—	157.8	(24.4)	—	133.4
	488.5	3,209.7	(529.2)	3,169.0	4,770.3	(5,276.2)	2,663.1
Non-current assets							
Property, plant and equipment	10.9	2,500.6	—	2,511.5	5,373.1	—	7,884.6
Goodwill	—	424.5	—	424.5	5,933.4	—	6,357.9
Long-term investments	149.1	2.6	—	151.7	52.1	—	203.8
Investments in associates and working interest	—	—	—	—	467.5	—	467.5
Intercompany investments	14,586.2	8,377.7	(12,187.8)	10,776.1	6,020.7	(16,796.8)	—
Unrealized fair value of derivative assets	0.8	1.8	—	2.6	—	—	2.6
Deferred charges and other long-term assets	0.1	169.0	—	169.1	35.5	—	204.6
Long-term intercompany receivables	488.4	502.8	(434.8)	556.4	1,419.2	(1,975.6)	—
Deferred tax assets	—	4.8	—	4.8	6.3	—	11.1
	$ 15,724.0	$ 15,193.5	$ (13,151.8)	$ 17,765.7	$ 24,078.1	$ (24,048.6)	$ 17,795.2
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	$ 46.7	$ 197.8	$ —	$ 244.5	$ 164.5	$ —	$ 409.0
Intercompany payables	376.2	1,430.0	(531.1)	1,275.1	3,973.9	(5,249.0)	—
Current tax payable	0.1	39.2	—	39.3	48.3	—	87.6
Current portion of long-term debt	—	45.9	—	45.9	2.5	—	48.4
Current portion of provisions	—	14.1	—	14.1	9.3	—	23.4
Current portion of unrealized fair value of derivative liabilities	48.4	37.7	—	86.1	321.6	—	407.7
	471.4	1,764.7	(531.1)	1,705.0	4,520.1	(5,249.0)	976.1
Non-current liabilities							
Long-term debt	388.5	35.5	—	424.0	2.0	—	426.0
Provisions	12.5	428.4	—	440.9	136.9	—	577.8
Unrealized fair value of derivative liabilities	38.9	0.5	—	39.4	57.6	—	97.0
Other long-term liabilities	—	70.0	—	70.0	45.0	—	115.0
Long-term intercompany payables	281.6	686.2	(432.9)	534.9	1,467.9	(2,002.8)	—
Deferred tax liabilities	—	20.4	—	20.4	789.6	—	810.0
	1,192.9	3,005.7	(964.0)	3,234.6	7,019.1	(7,251.8)	3,001.9
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	$ 14,576.4	$ 3,676.8	$ (3,676.8)	$ 14,576.4	$ 15,826.8	$ (15,826.8)	$ 14,576.4
Contributed surplus	185.5	30.8	(30.8)	185.5	1,106.5	(1,106.5)	185.5
Retained earnings (accumulated deficit)	(51.5)	8,457.8	(8,457.8)	(51.5)	105.0	(105.0)	(51.5)
Accumulated other comprehensive (loss)	(179.3)	22.4	(22.4)	(179.3)	(241.5)	241.5	(179.3)
	14,531.1	12,187.8	(12,187.8)	14,531.1	16,796.8	(16,796.8)	14,531.1
Non-controlling interest	—	—	—	—	262.2	—	262.2
	14,531.1	12,187.8	(12,187.8)	14,531.1	17,059.0	(16,796.8)	14,793.3
	$ 15,724.0	$ 15,193.5	$ (13,151.8)	$ 17,765.7	$ 24,078.1	$ (24,048.6)	$ 17,795.2

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	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ —	$ 2,019.2	$ —	$ 2,019.2	$ 1,924.1	$ —	$ 3,943.3
Cost of sales							
Production cost of sales	—	864.8	—	864.8	731.6	—	1,596.4
Depreciation, depletion and amortization	5.4	235.3	—	240.7	336.7	—	577.4
Impairment charges	—	—	—	—	2,937.6	—	2,937.6
Total cost of sales	5.4	1,100.1	—	1,105.5	4,005.9	—	5,111.4
Gross profit (loss)	(5.4)	919.1	—	913.7	(2,081.8)	—	(1,168.1)
Other operating costs	11.8	13.7	—	25.5	38.9	—	64.4
Exploration and business development	26.1	31.2	—	57.3	79.1	—	136.4

General and administrative	132.3	22.4	—	154.7	18.9	—	173.6
Operating earnings (loss)	(175.6)	851.8	—	676.2	(2,218.7)	—	(1,542.5)
Other income (expense) - net	235.3	(38.9)	—	196.4	1,851.2	(1,945.8)	101.8
Equity in gains (losses) of associates and intercompany investments	(2,064.9)	(2,662.1)	2,095.3	(2,631.7)	—	2,629.4	(2.3)
Finance income	6.0	6.2	—	12.2	24.1	(29.4)	6.9
Finance expense	(40.2)	(25.9)	—	(66.1)	(29.4)	29.4	(66.1)
Earnings (loss) before taxes	(2,039.4)	(1,868.9)	2,095.3	(1,813.0)	(372.8)	683.6	(1,502.2)
Income tax expense - net	(34.2)	(226.4)	—	(260.6)	(250.2)	—	(510.8)
Net earnings (loss)	$ (2,073.6)	$ (2,095.3)	$ 2,095.3	$ (2,073.6)	$ (623.0)	$ 683.6	$ (2,013.0)
Attributed to non-controlling interest	$ —	$ —	$ —	$ —	$ 60.6	—	$ 60.6
Attributed to common shareholders	$ (2,073.6)	$ (2,095.3)	$ 2,095.3	$ (2,073.6)	$ (683.6)	$ 683.6	$ (2,073.6)

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		Guarantors					
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ —	$ 1,669.8	$ —	$ 1,669.8	$ 1,340.3	$ —	$ 3,010.1
Cost of sales							
Production cost of sales	—	796.9	—	796.9	452.1	—	1,249.0
Depreciation, depletion and amortization	4.3	259.3	—	263.6	287.9	—	551.5
Impairment charges	—	—	—	—	—	—	—
Total cost of sales	4.3	1,056.2	—	1,060.5	740.0	—	1,800.5
Gross profit (loss)	(4.3)	613.6	—	609.3	600.3	—	1,209.6
Other operating costs	5.3	5.8	—	11.1	5.0	—	16.1
Exploration and business development	22.2	20.3	—	42.5	358.1	—	400.6
General and administrative	114.7	11.1	—	125.8	18.2	—	144.0
Operating earnings (loss)	(146.5)	576.4	—	429.9	219.0	—	648.9
Other income (expense) - net	643.9	19.7	—	663.6	278.5	(327.8)	614.3
Equity in gains (losses) of associates and intercompany investments	313.9	(122.3)	(292.6)	(101.0)	—	99.1	(1.9)
Finance income	3.9	6.7	—	10.6	34.2	(39.0)	5.8
Finance expense	(31.1)	(32.0)	—	(63.1)	(38.1)	39.0	(62.2)
Earnings (loss) before taxes	784.1	448.5	(292.6)	940.0	493.6	(228.7)	1,204.9
Income tax expense - net	(24.4)	(155.9)	—	(180.3)	(152.5)	—	(332.8)
Net earnings (loss)	$ 759.7	$ 292.6	$ (292.6)	$ 759.7	$ 341.1	$ (228.7)	$ 872.1
Attributed to non-controlling interest	$ —	$ —	$ —	$ —	$ 112.4	—	$ 112.4
Attributed to common shareholders	$ 759.7	$ 292.6	$ (292.6)	$ 759.7	$ 228.7	$ (228.7)	$ 759.7

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Consolidating statement of cash flows for the year ended December 31, 2011

		Guarantors					
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings (loss)	$ (2,073.6)	$ (2,095.3)	$ 2,095.3	$ (2,073.6)	$ (623.0)	$ 683.6	$ (2,013.0)
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	5.4	235.3	—	240.7	336.7	—	577.4
(Gain) loss on acquisition/disposition of assets and investments - net	(30.5)	4.9	—	(25.6)	0.8	—	(24.8)
Equity in (gains) losses of associates and intercompany investments	2,064.9	2,662.1	(2,095.3)	2,631.7	—	(2,629.4)	2.3
Non-hedge derivative (gains) losses - net	(165.4)	38.0	—	(127.4)	68.3	—	(59.1)
Settlement of derivative instruments	—	—	—	—	(48.7)	—	(48.7)
Share-based compensation expense	36.5	—	—	36.5	—	—	36.5
Accretion expense	32.6	15.9	—	48.5	6.1	—	54.6
Deferred tax (recovery) expense	1.2	72.0	—	73.2	35.2	—	108.4
Foreign exchange (gains) losses and other	5.7	(10.7)	—	(5.0)	(31.9)	—	(36.9)
Reclamation expense	—	—	—	—	15.7	—	15.7
Impairment charges	—	—	—	—	2,937.6	—	2,937.6
Changes in operating assets and liabilities:						—	
Accounts receivable and other assets	3.7	(59.2)	—	(55.5)	(62.5)	—	(118.0)
Inventories	—	(123.7)	—	(123.7)	(110.0)	—	(233.7)
Accounts payable and accrued liabilities, excluding interest and taxes	68.2	198.1	—	266.3	344.7	—	611.0
Cash flow provided from operating activities	(51.3)	937.4	—	886.1	2,869.0	(1,945.8)	1,809.3
Income taxes paid	(33.1)	(132.9)	—	(166.0)	(226.4)	—	(392.4)
Net cash flow provided from operating activities	(84.4)	804.5	—	720.1	2,642.6	(1,945.8)	1,416.9
Investing:							
Additions to property, plant and equipment	(7.8)	(703.9)	—	(711.7)	(939.8)	—	(1,651.5)
Business acquisitions - net of cash acquired	—	—	—	—	—	—	—
Net proceeds from the sale of long-term investments and other assets	101.4	—	—	101.4	—	—	101.4
Disposals (additions) to long-term investments and other assets	(19.9)	8.0	—	(11.9)	(201.5)	—	(213.4)
Net proceeds from the sale of property, plant and equipment	0.1	1.4	—	1.5	0.6	—	2.1

Disposal (addition) to short-term investments	—	—	—	—	(1.3)	—	(1.3)
Note received from Harry Winston	70.0	—	—	70.0	—	—	70.0
Decrease (increase) in restricted cash	(15.5)	(4.2)	—	(19.7)	(40.3)	—	(60.0)
Interest received	4.6	2.1	—	6.7	1.2	—	7.9
Other	(1,037.8)	141.2	—	(896.6)	893.4	—	(3.2)
Cash flow provided from (used in) investing activities	(904.9)	(555.4)	—	(1,460.3)	(287.7)	—	(1,748.0)
Financing:							
Issuance of common shares on exercise of options and warrants	29.0	—	—	29.0	—	—	29.0
Acquisition of CMGC 25% non-controlling interest	—	—	—	—	(335.4)	—	(335.4)
Proceeds from issuance of debt	980.9	433.5	—	1,414.4	194.1	—	1,608.5
Repayment of debt	—	(479.2)	—	(479.2)	(2.9)	—	(482.1)
Interest paid	(8.1)	(1.8)	—	(9.9)	(0.1)	—	(10.0)
Dividends received/(paid) to common shareholders	638.9	(414.5)	—	224.4	(2,295.0)	1,945.8	(124.8)
Dividends paid to non-controlling shareholder	—	—	—	—	—	—	—
Settlement of derivative instruments	165.2	—	—	165.2	(208.8)	—	(43.6)
Intercompany advances and other	94.2	(607.6)	—	(513.4)	505.8	—	(7.6)
Cash flow provided from (used in) financing activities	1,900.1	(1,069.6)	—	830.5	(2,142.3)	1,945.8	634.0
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	(3.5)	—	(3.5)
Increase in cash and cash equivalents	910.8	(820.5)	—	90.3	209.1	—	299.4
Cash and cash equivalents, beginning of period	151.9	1,052.5	—	1,204.4	262.2	—	1,466.6
Cash and cash equivalents, end of period	$ 1,062.7	$ 232.0	$ —	$ 1,294.7	$ 471.3	$ —	$ 1,766.0

Consolidating statement of cash flows for the year ended December 31, 2010

		Guarantors					
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings (loss)	$ 759.7	$ 292.6	$ (292.6)	$ 759.7	$ 341.1	$ (228.7)	$ 872.1
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	4.3	259.3	—	263.6	287.9	—	551.5
(Gain) loss on acquisition/disposition of assets and investments - net	(512.3)	(0.2)	—	(512.5)	(86.7)	—	(599.2)
Equity in (gains) losses of associates and intercompany investments	(313.9)	122.3	292.6	101.0	—	(99.1)	1.9
Non-hedge derivative (gains) losses - net	(162.8)	(31.3)	—	(194.1)	140.7	—	(53.4)
Settlement of derivative instruments	—	—	—	—	—	—	—
Share-based compensation expense	32.5	—	—	32.5	—	—	32.5
Accretion expense	29.0	9.4	—	38.4	4.6	—	43.0
Deferred tax (recovery) expense	(2.0)	(18.9)	—	(20.9)	(18.2)	—	(39.1)
Foreign exchange (gains) losses and other	3.3	6.2	—	9.5	(6.1)	—	3.4
Reclamation expense	—	—	—	—	6.2	—	6.2
Impairment charges	—	—	—	—	290.7	—	290.7
Changes in operating assets and liabilities:						—	
Accounts receivable and other assets	(6.4)	(32.7)	—	(39.1)	(48.8)	—	(87.9)
Inventories	—	(51.4)	—	(51.4)	(45.1)	—	(96.5)
Accounts payable and accrued liabilities, excluding interest and taxes	35.8	170.2	—	206.0	158.3	—	364.3
Cash flow provided from operating activities	(132.8)	725.5	—	592.7	1,024.6	(327.8)	1,289.5
Income taxes paid	(28.1)	(129.5)	—	(157.6)	(129.7)	—	(287.3)
Net cash flow provided from operating activities	(160.9)	596.0	—	435.1	894.9	(327.8)	1,002.2
Investing:							
Additions to property, plant and equipment	(3.4)	(372.7)	—	(376.1)	(252.2)	—	(628.3)
Business acquisitions - net of cash acquired	176.0	667.4	—	843.4	(297.9)	—	545.5
Net proceeds from the sale of long-term investments and other assets	377.6	325.3	—	702.9	143.5	—	846.4
Disposals (additions) to long-term investments and other assets	(604.3)	—	—	(604.3)	(13.5)	—	(617.8)
Net proceeds from the sale of property, plant and equipment	0.2	2.3	—	2.5	0.6	—	3.1
Disposal (addition) to short-term investments	10.0	25.0	—	35.0	—	—	35.0
Note received from Harry Winston							
Decrease (increase) in restricted cash	—	—	—	—	22.2	—	22.2
Interest received	0.9	1.6	—	2.5	2.5	—	5.0
Other	(432.9)	58.8	—	(374.1)	376.7	—	2.6
Cash flow provided from (used in) investing activities	(475.9)	707.7	—	231.8	(18.1)	—	213.7
Financing:							
Issuance of common shares on exercise of options and warrants	15.9	—	—	15.9	—	—	15.9
Acquisition of CMGC 25% non-controlling interest	—	—	—	—	—	—	—
Proceeds from issuance of debt	119.8	7.5	—	127.3	—	—	127.3
Repayment of debt	(120.0)	(53.6)	—	(173.6)	(161.3)	—	(334.9)
Interest paid	(8.1)	(3.9)	—	(12.0)	(3.7)	—	(15.7)
Dividends received/(paid) to common shareholders	635.9	(414.0)	—	221.9	(620.3)	327.8	(70.6)
Dividends paid to non-controlling shareholder	—	—	—	—	(47.7)	—	(47.7)
Settlement of derivative instruments	15.3	—	—	15.3	(42.6)	—	(27.3)
Intercompany advances and other	46.6	(68.4)	—	(21.8)	21.8	—	—
Cash flow provided from (used in) financing activities	705.4	(532.4)	—	173.0	(853.8)	327.8	(353.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	6.3	—	6.3
Increase in cash and cash equivalents	68.6	771.3	—	839.9	29.3	—	869.2
Cash and cash equivalents, beginning of period	83.4	281.1	—	364.5	232.9	—	597.4
Cash and cash equivalents, end of period	$ 152.0	$ 1,052.4	$ —	$ 1,204.4	$ 262.2	$ —	$ 1,466.6

24. Subsequent Events

As disclosed in Note 20 (ii), the Company had become aware that certain law firms had announced that they were investigating Kinross in connection with potential violation of United States securities laws. On February 16, 2012, the Company and certain of its officers and a former officer were named as defendants in a class action complaint filed in the United States District Court for the Southern District of New York seeking damages based on alleged violations of United States securities laws.

On March 12, 2012, a notice of action (the "Action") in a proposed class proceeding under Ontario's Class Proceedings Act, 1992, was filed in the Ontario Superior Court of Justice against the Company and certain of its officers and a former officer. The plaintiff is seeking certification of the Action as a class proceeding and leave to proceed under the statutory civil liability provisions of Ontario's Securities Act. The plaintiff is also seeking various relief, including damages in the amount of CDN$4 billion and costs of the Action.

Exhibit 99.5

Management's Report on Internal Control over Financial Reporting

The management of Kinross Gold Corporation ("Kinross") is responsible for establishing and maintaining adequate internal control over financial reporting, and have designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Management has used the Internal Control—Integrated Framework to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations for the Treadway Commission (COSO).

Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of Kinross' internal control over financial reporting as of December 31, 2011, and has concluded that such internal control over financial reporting is effective. There are no material weaknesses that have been identified by management in this regard.

/s/ Tye W. Burt	/s/ Paul H. Barry
Tye W. Burt President and Chief Executive Officer	Paul H. Barry Executive Vice President and Chief Financial Officer

Toronto, Canada
February 15, 2012

Exhibit 99.6

Consent of Independent Registered Public Accounting Firm

To the Board of Directors of Kinross Gold Corporation

We consent to the inclusion in this annual report on Form 40-F of:

- our Independent Auditors' Report of Registered Public Accounting Firm dated February 15, 2012, on the consolidated financial statements of Kinross Gold Corporation (the "Company") comprising the consolidated balance sheets of the Company as at December 31, 2011, December 31, 2010 and January 1, 2010, the consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information,

- our Report of Independent Registered Public Accounting Firm dated February 15, 2012, except as to notes 23 and 24, which are as of March 23, 2012, on the consolidated balance sheets of the Company as at December 31, 2011, December 31, 2010 and January 1, 2010 and the related consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years ended December 31, 2011 and December 31, 2010,

- our Report of Independent Registered Public Accounting Firm dated February 15, 2012 on the Company's internal control over financial reporting as of December 31, 2011,

each of which is contained or incorporated by reference in this annual report on Form 40-F of the Company for the fiscal year ended December 31, 2011.

We also consent to the incorporation by reference of such reports in the Registration Statements (No. 333-141896, 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) on Form S-8 of Kinross Gold Corporation.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 29, 2012

Exhibit 99.7

Kinross Gold Corporation

Consolidated Statement of MSHA Citations During 2011 for Round Mountain, Fort Knox, Kettle River Mill, K-2 Mine and Buckhorn Mine

The following disclosures are provided by Kinross Gold in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and Item 104 of Regulation S-K. These provisions require the following disclosures from companies that operate mines regulated under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") and that are required to file periodic reports under the Securities Exchange Act of 1934, as amended. The disclosures referenced in the table below identify the number of administrative citations, orders and proposed penalty assessments that were issued to a Kinross U.S. mine by the federal Mine Safety and Health Administration ("MSHA") during the year ending December 31, 2011. Certain citations, orders and penalty assessments are contested and appealed by the company in legal actions before the Federal Mine Safety and Health Review Commission ("Review Commission"). The Review Commission is an independent adjudicative agency that reviews disputes between MSHA and the company concerning the validity of certain citations and orders (referred to as "Subtitle B" legal actions) and concerning the validity of proposed penalty assessments (referred to as "Subtitle C" legal actions) under the Mine Act. The table below lists the number of Subtitle B and Subtitle C legal actions initiated, resolved and pending as of December 31, 2011. These disclosure requirements pertain only to the Kinross U.S. mining operations and do not apply to mines operated outside the United States.

Mine or Operating Name /MSHA Identification Number	Section 104 S&S Citations (#)	Section 104 (b) Orders (#)	Section 104 (d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed (#)	Total Number of Mining-Related Fatalities (#)	Received Notice of Pattern of Violations under Section 104(e) (yes/no)	Received Notice of Potential to have Pattern under Section 104(e) (yes/no)	Legal Actions(1) Pending as of Last Day of Period(2) Subtitle B/Subtitle C	Legal Actions Initiated During Period Subtitle B/Subtitle C	Legal Actions Resolved During Period Subtitle B/Subtitle C
26-00594 Round Mtn	7	0	0	0	0	$ 20,506.00	0	No	No	0/2	0/2	0/2
50-01616 Fort Knox	18	0	2	0	0	$ 17,498.00	1	No	No	4/0	1/0	0/0
4503615 Buckhorn	1	0	0	0	0	$ 1600	0	No	No	1/0	0/0	0/0
4503336 K-2 Mine	0	0	0	0	0	$ 400	0	No	No	0/0	0/0	0/0
4503383 Kettle River	0	0	0	0	0	$ 100	0	No	No	0/0	0/0	0/0
TOTAL	26	0	2	0	0	$ 40,104.00	1	No	No	5/2	1/2	0/2

(1) Legal action as used above means a single proceeding before the Review Commission addressing one or more citations, orders, penalty assessments or related claims.
(2) Reported as legal actions under Subtitle B of 29 CFR Part 2700 contesting citations and orders / legal actions under Subtitle C contesting proposed penalty assessments (i.e., 0/2)

Notes:

- This sheet includes all assessed and not assessed Significant & Substantial (S&S) citations and orders issued during calendar year 2011.
- Total dollar value of MSHA assessments proposed includes all citations/orders assessed during 2011.
- Total dollar value of MSHA assessments taken from MSHA.gov and Predictive compliance.

EXHIBIT 99.8

CONSENT OF ROB HENDERSON
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2012

I hereby consent to being named and identified as a “qualified person” in connection with the mineral reserve and mineral resource estimates in the Annual Information Form for the year ended December 31, 2011 (the “AIF”) and the related annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the AIF and annual report on Form 40-F, into the Registration Statements on Form S-8 (Registration Statement Nos. 333-141896, 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

Sincerely,

/s/ Robert D. Henderson

EXHIBIT 99.9

CONSENT OF MARK SEDORE
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2012

I hereby consent to being named and identified as a “qualified person” in connection with the Tasiast property description in the Annual Information Form for the year ended December 31, 2011 (the “AIF”) and the related annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the AIF and annual report on Form 40-F, into the Registration Statements on Form S-8 (Registration Statement Nos. 333-141896, 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

Sincerely,

/s/ Mark Sedore

EXHIBIT 99.10

CONSENT OF WAYNE BARNETT
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2012

I hereby consent to being named and identified as a “qualified person” in connection the mineral reserve and mineral resource estimates of the White Gold property in the Annual Information Form for the year ended December 31, 2011 (the “AIF”) and the related annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the AIF and annual report on Form 40-F, into the Registration Statements on Form S-8 (Registration Statement Nos. 333-141896, 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

Sincerely,

/s/ Wayne Barnett

EXHIBIT 99.11

CONSENT OF MAREK NOWAK
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2012

I hereby consent to being named and identified as a “qualified person” in connection the mineral reserve and mineral resource estimates of the White Gold property in the Annual Information Form for the year ended December 31, 2011 (the “AIF”) and the related annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the AIF and annual report on Form 40-F, into the Registration Statements on Form S-8 (Registration Statement Nos. 333-141896, 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

Sincerely,

/s/ Marek Nowak

Exhibit 99.12

CERTIFICATION PURSUANT TO RULE 13A-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES - OXLEY ACT OF 2002

I, Tye W. Burt certify that:

1. I have reviewed this annual report on Form 40-F of Kinross Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred curing the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

March 29, 2012
(Date)

/s/ Tye W. Burt
Tye W. Burt
President and Chief Executive Officer
(principal executive officer)

Exhibit 99.13

CERTIFICATION PURSUANT TO RULE 13A-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES - OXLEY ACT OF 2002

I, Paul H. Barry, certify that:

1. I have reviewed this annual report on Form 40-F of Kinross Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as to the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred curing the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

March 29, 2012
(Date)

/s/ Paul H. Barry
Paul H. Barry
Executive Vice President & Chief Financial Officer
(principal financial and accounting officer)

EXHIBIT 99.14

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the annual report of Kinross Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2011, Tye W. Burt hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 29, 2012
(Date)

/s/ Tye W. Burt
Tye W. Burt
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 99.15

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the annual report of Kinross Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2011, Paul H. Barry hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 29, 2012
(Date)

/s/ Paul H. Barry
Paul H. Barry
Executive Vice President & Chief Financial Officer
(principal financial and accounting officer)