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, 2017 **Commission File Number 001-13382**

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)

Martin D. Litt
Secretary
Kinross Gold U.S.A., Inc.
5075 S. Syracuse Street,
Suite 800,
Denver, Colorado,
80237
Telephone: (303) 802-1445

(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

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, 2017, there were 1,247,003,940 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 is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging Growth Company o

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o	International Financial Reporting Standards as issued by the International Accounting Standards Board x	Other o

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

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

We are permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States. We prepare our financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, including the report of the independent registered public accounting firm with respect thereto. Consequently, our financial statements may not be comparable to those prepared by U.S. companies. Our Annual Information Form dated March 29, 2018 and Management's Discussion and Analysis, together with our audited consolidated financial statements and notes thereto as at December 31, 2017 and 2016 and for the years then ended, are filed under cover of this form as exhibits 99.1, 99.2 and 99.3, respectively.

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 http://www.kinross.com/about/governance/default.aspx.

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, 2017, 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, 2017, the design and operation of the Company's disclosure controls and procedures provide reasonable assurance that they are effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes to our system of internal control over financial reporting for the year ended December 31, 2017 or since that time that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

AUDIT AND RISK COMMITTEE

The audit and risk committee of our Board of Directors is comprised of four directors: John A. Brough, chairman, Kerry D. Dyte, Ave G. Lethbridge and Una M. Power. 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 and Ms. Power each qualify as 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 and Ms. Power's relevant education and experience is included in the biographical information contained in the Company's Annual Information Form included as exhibit 99.1 to the annual report on Form 40-F. 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" and is available in print to any shareholder upon written request to the Company's Corporate Secretary. Any amendments to the Code of Business Conduct and Ethics, including a description of such amendment, will be posted to the Company's website within five business days following the date of the amendment.

The Company did not grant any waivers under its Code of Business Conduct and Ethics during 2017.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

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

		2017		2016
Audit Fees	CDN $	4,372,000	CDN $	3,941,000
Audit-Related Fees	CDN $	160,000	CDN $	160,000
Tax Fees	CDN $	55,000	CDN $	68,000
All Other Fees	CDN $	11,000	CDN $	18,000

Audit-related fees include fees related to translation services and pension plan audits. 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, 2017 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 captions "Liquidity and Capital Resources" and "Risk Analysis" and under Note 12, "Long-term debt and credit facilities," under Note 13, "Provisions," and under Note 19, "Commitments and Contingencies" to Kinross' audited consolidated financial statements for the year ended December 31, 2017 included as exhibit 99.3 to this annual report on Form 40-F.

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 under Note 12, "Long-term debt and credit facilities" and under Note 19, "Commitments and Contingencies" to Kinross' audited consolidated financial statements for the year ended December 31, 2017 included as exhibit 99.3 to this annual report on Form 40-F.

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 99.5 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 contained in this annual report on Form 40-F, include, without limitation, statements with respect to our guidance for production; production costs of sales, all-in sustaining cost and capital expenditures; and continuous improvement initiatives, as well as references to other possible events, the future price of gold and silver, 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, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations; and resolution of pending litigation. The words "aim", "anticipate", "assumption", "believe", "budget", "consideration", "continue", "develop", "enhancement", "estimate", "expand", "expect", "explore", "extend", "forecast", "focus", "future", "guidance", "indicate", "intend", "initiative", "measures", "opportunity", "optimize", "outlook", "phased", "plan", "possible", "potential", "project", "schedule", "seek", "study", "target", "transform" or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such 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 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 Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2017 as well as: (1) there being no significant disruptions affecting the operations of the Company whether due to extreme weather events (including, without limitation, excessive or lack of rainfall) and other or related natural disasters, labour disruptions (including but not limited to following workforce reductions), supply disruptions, power disruptions, damage to equipment or otherwise; (2) the completion of studies, including optimization studies, prefeasibility and feasibility studies, on the timelines currently expected and the results of those studies being consistent with Kinross' current expectations; (3) permitting, development, operations and production from the Company's operations being consistent with Kinross' current expectations including, without limitation, the construction and operation of the tailings storage facility ("TSF") and semi-autogenous ("SAG") mill at Tasiast, and work permits, necessary import authorizations for goods and equipment and exploration license conversions at Tasiast; (4) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any

escalating political tensions and uncertainty in the Russian Federation and Ukraine or any related sanctions and any other similar restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential power rationing, tailings facility regulation and amendments to mining laws in Brazil, potential amendments to water laws and/or other water use restrictions and regulatory actions in Chile, potential amendments to minerals and mining laws and dam safety regulation in Ghana, potential amendments to customs and mining laws (including but not limited to amendments to the VAT) and regulations relating to work permits in Mauritania, and potential amendments to and enforcement of tax laws in Russia (including, but not limited to, the interpretation, implementation, application and enforcement of any such laws and amendments thereto), being consistent with Kinross' current expectations; (5) 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; (6) certain price assumptions for gold and silver; (7) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (8) production and cost of sales forecasts for the Company meeting expectations; (9) the accuracy of the current mineral reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates) and mine plans for the Company's mining operations (including but not limited to throughput and recoveries being affected by metallurgical characteristics at Paracatu and mine life estimates at Round Mountain, Paracatu, Fort Knox and Kupol being accurate); (10) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (11) the terms and conditions of the legal and fiscal stability agreements for the Tasiast and Chirano operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; (12) goodwill and/or asset impairment potential; (13) access to capital markets, including but not limited to maintaining debt ratings consistent with the Company's current expectations; (13) that Kinross will complete the acquisition of the Brazilian power plants in accordance with, and on the timeline contemplated by, the terms and conditions of the relevant agreements, on a basis consistent with our current expectations; and (14) the regulatory and legislative regime regarding mining, electricity production and transmission (including rules related to power tariffs) in Brazil being consistent with Kinross' 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: sanctions (any other similar restrictions or penalties) now or subsequently imposed, other actions taken, by, against, in respect of or otherwise impacting any jurisdiction in which the Company is domiciled or operates (including but not limited to the Russian Federation, Canada, the European Union and the United States), or any government or citizens of, persons or companies domiciled in, or the Company's business, operations or other activities in, any such jurisdiction; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as fuel and electricity); changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group gold producers and the Company,

and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold or silver prices and lease rates, or global fuel prices, that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any financial 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 taxes/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, Mauritania, Ghana, or other countries in which Kinross does 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; litigation or other claims against, or regulatory investigations and/or any enforcement actions or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada and/or the United States, or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, the United States or any other applicable jurisdiction; 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, including but not limited to resulting in an impairment charge on goodwill and/or assets. 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 by reference in this annual report on Form 40-F, including but not limited to the "Risk Factors" section of our 2017 Annual Information Form and in the "Risk Analysis" section of our most recently filed MD&A, are qualified by this cautionary statement 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 2017 Annual Information Form and the "Risk Analysis" section of our MD&A for the year ended December 31, 2017. 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

Additional information relating to our company, including our audited consolidated financial statements as at December 31, 2017 and 2016, and for each of the years then ended, together with the accompanying Management's Discussion and Analysis and the Annual Information Form can be found on SEDAR (www.sedar.com), on EDGAR (www.sec.gov) or on our website at www.kinross.com. The information found on, or otherwise accessible through, our website is not incorporated by reference into, nor does it form a part of, this annual report on Form 40-F or any other document that we file with the SEC. 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, 2018

By /s/ Tony S. Giardini
Tony S. Giardini
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for Kinross Gold Corporation dated March 29, 2018
99.2	Kinross Gold Corporation Management's Discussion and Analysis as filed on Form 6-K on February 14, 2018
99.3	Audited consolidated financial statements of Kinross Gold Corporation as at December 31, 2017 and 2016 and for the years then ended, together with the report of KPMG LLP, the independent registered public accounting firm of Kinross Gold Corporation thereon and the report of KPMG LLP, the independent registered public accounting firm of Kinross Gold Corporation on the effectiveness of internal control over financial reporting as of December 31, 2017, as filed on Form 6-K on February 14, 2018
99.4	Consent of KPMG LLP, independent registered public accounting firm for Kinross Gold Corporation
99.5	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
99.6	Consent of John Sims to being named as a qualified person
99.7	Certification of the Principal Executive Officer pursuant to Rule 13a — 14(a)
99.8	Certification of the Chief Financial Officer pursuant to Rule 13a — 14(a)
99.9	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)*
99.10	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley act of 2002)*
101	Interactive Data Files

* This information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

Exhibit 99.1

KINROSS GOLD CORPORATION



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2017

Dated March 29, 2018



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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 U.S. dollars unless expressly stated otherwise;
- information is presented as of December 31, 2017, unless expressly stated otherwise; and
- references to "Kinross", the "Company", "its", "our" and "we", or related terms, refer to Kinross Gold Corporation or Kinross Gold Corporation and/or one or more or all of its subsidiaries, as may be applicable in the context.

CAUTIONARY STATEMENT

All statements, other than statements of historical fact, contained or incorporated by reference in this Annual Information Form ("AIF") 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 AIF. Forward-looking statements contained in this AIF, include, without limitation, statements with respect to our guidance for production; production costs of sales, all-in sustaining cost and capital expenditures; and continuous improvement initiatives, as well as references to other possible events, the future price of gold and silver, 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, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations; and resolution of pending litigation. The words "aim", "anticipate", "assumption", "believe", "budget", "consideration", "continue", "develop", "enhancement", "estimate", "expand", "expect", "explore", "extend", "forecast", "focus", "future", "guidance", "indicate", "intend", "initiative", "measures", "opportunity", "optimize", "outlook", "phased", "plan", "possible", "potential", "project", "schedule", "seek", "study", "target" or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such 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 AIF, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2017 as well as: (1) there being no significant disruptions affecting the operations of the Company whether due to extreme weather events (including, without limitation, excessive or lack of rainfall) and other or related natural disasters, labour disruptions (including but not limited to following workforce reductions), supply disruptions, power disruptions, damage to equipment or otherwise; (2) the completion of studies, including optimization studies, prefeasibility and feasibility studies, on the timelines currently expected and the results of those studies being consistent with Kinross' current expectations; (3) permitting, development, operations and production from the Company's operations being consistent with Kinross' current expectations including, without limitation, the construction and operation of the tailings storage facility and semi-autogenous ("SAG") mill at Tasiast, and work permits, necessary import authorizations for goods and equipment and exploration license conversions at Tasiast; (4) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any escalating political tensions and uncertainty in the Russian Federation and Ukraine or any related sanctions and any other similar restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential power rationing, tailings facility regulation and amendments to mining laws in Brazil, potential amendments to water laws and/or other water use restrictions and regulatory actions in Chile, potential amendments to minerals and mining laws and dam safety regulation in Ghana, potential amendments to customs and mining laws (including but not limited to amendments to the VAT) and regulations relating to work permits in Mauritania, and potential amendments to and enforcement of tax laws in Russia (including, but not limited to, the interpretation, implementation, application and enforcement of any such laws and amendments thereto), being consistent with Kinross' current expectations; (5) 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; (6) certain price assumptions for gold and silver; (7) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (8) production and cost of sales forecasts for the Company meeting expectations; (9) the accuracy of the current mineral reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates) and mine plans for the Company's mining operations (including but not limited to throughput and recoveries being affected by metallurgical characteristics at Paracatu and mine life estimates at Round Mountain, Paracatu, Fort Knox and Kupol being accurate); (10) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (11) the terms and conditions of the legal and fiscal stability agreements for the Tasiast and Chirano operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; (12) goodwill and/or asset impairment potential; (13) access to capital markets, including but not limited to maintaining debt ratings consistent with the Company's current expectations; (13) that Kinross will complete the acquisition of the Brazilian power plants in accordance with, and on the timeline contemplated by, the terms and conditions of the relevant agreements, on a basis consistent with our current expectations; and (14) the regulatory and legislative regime regarding mining, electricity production and transmission (including rules related to power tariffs) in Brazil being consistent with Kinross' 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: sanctions (any other similar restrictions or penalties) now or subsequently imposed, other actions taken, by, against, in respect of or otherwise impacting any jurisdiction in which the Company is domiciled or operates (including but not limited to the Russian Federation, Canada, the European Union and the United States), or any government or citizens of, persons or companies domiciled in, or the Company's business, operations or other activities in, any

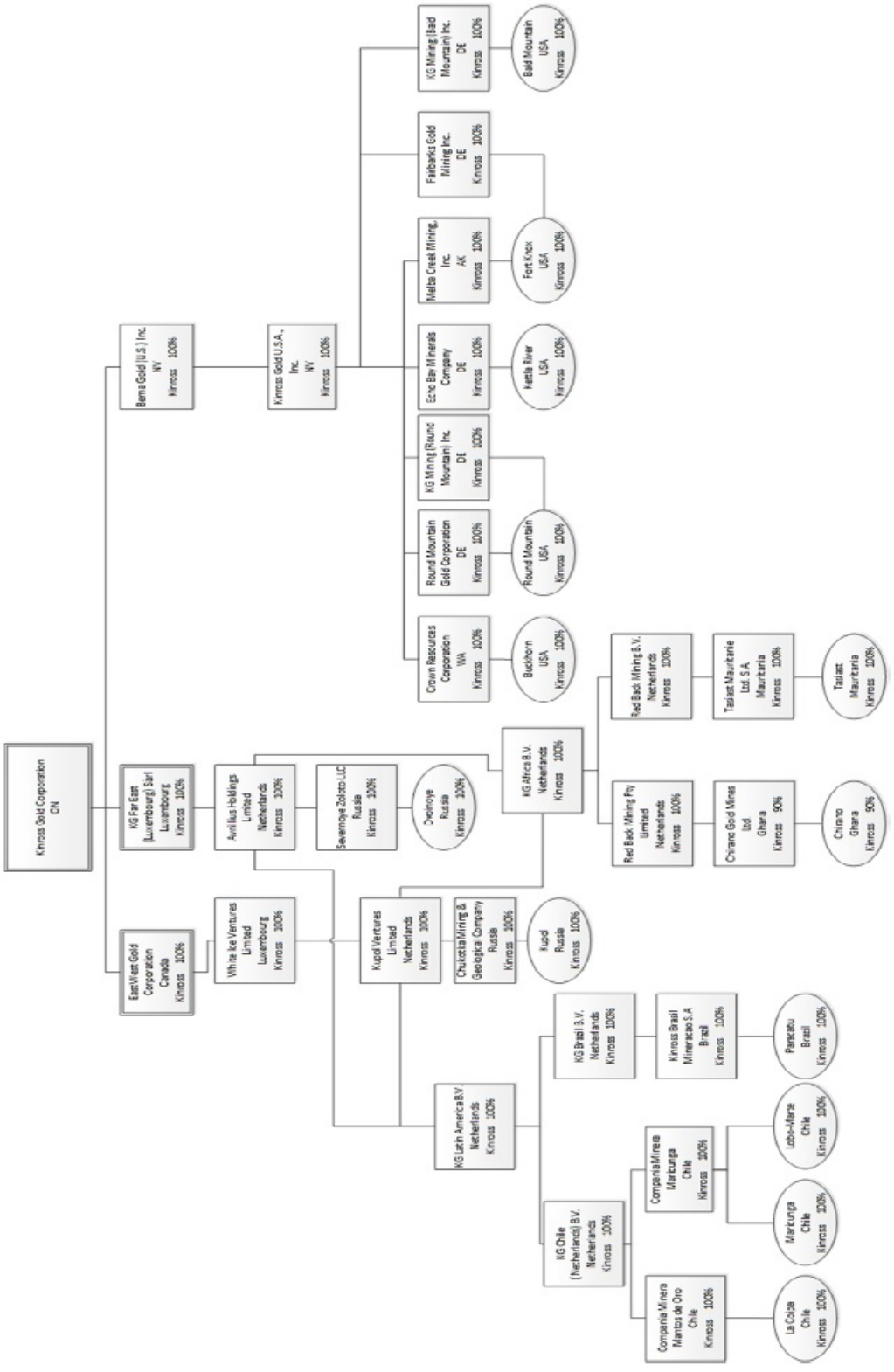
such jurisdiction; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as fuel and electricity); changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group gold producers and the Company, and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold or silver prices and lease rates, or global fuel prices, that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any financial 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 taxes/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, Mauritania, Ghana, or other countries in which Kinross does 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; litigation or other claims against, or regulatory investigations and/or any enforcement actions or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada and/or the United States, or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, the United States or any other applicable jurisdiction; 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, including but not limited to resulting in an impairment charge on goodwill and/or assets. 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 AIF, including but not limited to the "Risk Factors" section hereof, are qualified by this cautionary statement 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 MD&A for the year ended December 31, 2017. 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. 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. Operations outside of the United States are overseen by a Regional Vice-President employed by the applicable foreign subsidiary, who reports to the Company's Senior Vice-President and Chief Operating Officer. Operations in the United States are overseen directly by the Company's Senior Vice-President and Chief Operating Officer. Global exploration strategies, corporate financing, tax, additional technical support services, hedging and acquisition strategies are managed centrally. Execution of site/regional operations and exploration strategies is managed locally. Kinross' enterprise 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, as of December 31, 2017, is set out below. All subsidiaries are 100% owned (directly or indirectly) unless otherwise noted.



Subsidiary Governance and Internal Controls

Kinross has systems of governance, internal control over financial reporting, and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries, including those that operate in emerging markets. These systems are overseen by the Company's Board of Directors and are implemented by the Company's senior management, and the senior management of its subsidiaries. The relevant features of these systems include:

Control over Subsidiaries. All of the Company's subsidiaries are wholly-owned or controlled unless otherwise noted. Operations outside of the United States are overseen by a Regional Vice-President employed by the applicable foreign subsidiary, who reports to the Company's Senior Vice-President and Chief Operating Officer. Operations in the United States are overseen directly by the Company's Senior Vice-President and Chief Operating Officer. Kinross' subsidiaries, including those subsidiaries in emerging markets, are located in the applicable jurisdictions. Each of the subsidiaries legally owns or controls its operating assets, and the subsidiaries' operational decisions are localized. Kinross, as the ultimate sole shareholder, has internal policies and systems in place which provide it with visibility into the operations of its subsidiaries, including its subsidiaries operating in emerging markets, and the Company's management team is responsible for monitoring the activities of the subsidiaries.

Further, the Board of Directors (or similar governing body) of each subsidiary is appointed by the shareholders of such subsidiary. Directors (or those holding similar positions) may be replaced at any time by a written resolution of the shareholders (or equivalent corporate action under applicable law). Through its corporate structure, Kinross has the power to directly or indirectly appoint and replace the board members of each subsidiary, including those operating in emerging markets. The boards of directors (or similar governing bodies under applicable law) of Kinross' subsidiaries (including those operating in emerging markets) act with regard to their respective fiduciary duties and in accordance with applicable corporate procedures, and are also accountable to Kinross and its Board of Directors and senior management, as the ultimate shareholder.

With respect to the bank accounts of subsidiaries, Kinross has internal controls that require each of the Company's subsidiaries to notify the Company's treasury team before opening or closing any bank accounts. Kinross' treasury team is also responsible for generally monitoring the activity within all such bank accounts on an ongoing basis via a web-based global treasury management system and/or web-based account access provided by the applicable financial institution to the extent available.

Strategic Direction. While the mining operations of each of the Company's subsidiaries are managed locally, exploration strategies, external corporate financing, tax governance, additional technical support services, hedging and acquisition strategies are established centrally by the Company's management, and, on consideration, implemented accordingly by senior management of applicable subsidiaries under the oversight of their respective boards of directors. Each subsidiary is responsible for the development and execution of its own risk management programs based on the enterprise risk management process established by the Company. The subsidiaries report a summary of their respective risk registers to the Company's management on a quarterly basis which is then reported to the Audit and Risk Committee.

Financial Reporting. Kinross prepares its consolidated financial statements and Management's Discussion & Analysis (" **MD&A**") on a quarterly and annual basis using IFRS as issued by the International Accounting Standards Board, which includes financial information and disclosure from its subsidiaries. The Company has internal controls over the preparation of its financial statements and other financial disclosures to provide reasonable assurance that its financial reporting is reliable and that the quarterly and annual financial statements and MD&A are being prepared in accordance with IFRS and applicable securities laws. These internal controls include the following:

(a) As part of the quarterly results and reporting process, the Company holds quarterly business review meetings (each, a " **QBR**") for each of the Company's operating regions. The QBRs are hosted by the Chief Operating Officer, attended by senior finance and operations management of the Company and its subsidiaries and information is presented

by regional and site management of the applicable subsidiaries. The QBRs include a review of operational performance as well as key financial information pertaining to the quarter.

(b) The Company receives quarterly reporting packages from its key operating subsidiaries including financial information and disclosures required to complete the Company's consolidated financial statements and MD&A. Those responsible for the finance function of the Company's subsidiaries report to the Company's management, and the Company's management has direct access to relevant financial information and finance personnel of the subsidiaries.

(c) All public disclosure documents and financial statements relating to the Company and its subsidiaries containing material information are reviewed by senior management and approved by the Company's disclosure committee before such material is disclosed. The disclosure committee is comprised of the Chief Financial Officer, the Chief Operating Officer and the Chief Legal Officer. With respect to quarterly reporting including consolidated financial statements and MD&A, the disclosure committee meets to review and discuss all information prior to public disclosure. A summary of such meeting is provided to the Audit and Risk Committee by the Chief Financial Officer. The disclosure committee also receives a report on quarterly and annual sub-certifications received from senior management responsible for direct oversight of the operations of each operating subsidiary.

(d) The primary responsibility of the Audit and Risk Committee is to oversee the Company's financial reporting process on behalf of the Board of Directors of Kinross and to report the results of its activities to the Board of Directors.

(e) The Audit and Risk Committee reviews the Company's quarterly and annual financial statements and MD&A and meets with senior management to discuss quarterly results, including accounting, disclosure and control matters. The Audit and Risk Committee recommends the quarterly and annual consolidated financial statements and MD&A to the Company's Board of Directors for approval.

(f) The Audit and Risk Committee receives confirmation from the Chief Executive Officer and Chief Financial Officer as to the matters addressed in the quarterly and annual certifications required under National Instrument 52-109 — *Certification of Disclosure in Issuer's Annual and Interim Filings*. This confirmation is obtained from the quarterly CFO report which provides a summary of management's assessment and evaluation of internal control over financial reporting and disclosures control and procedures.

(g) The Audit and Risk Committee periodically assesses and evaluates the adequacy of the procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other

than the annual and interim financial statements and related notes, MD&A, earnings releases and the AIF.

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 control over financial reporting. This evaluation is done under the supervision of, and with the participation of, the Company's Chief Executive Officer and Chief Financial Officer.

These systems of corporate governance, internal control over financial reporting and disclosure controls and procedures are designed to enable, among other things, Kinross to have access to all material information about its subsidiaries, including those operating in emerging markets.

Fund Transfers from the Company's Subsidiaries

Certain of the Company's subsidiaries have a long history of operating in emerging markets and Kinross has not had any material issues with respect to transferring funds from, to or within emerging markets. Funds are transferred to, from or among Kinross' subsidiaries pursuant to a variety of methods which include the following: chargeback of costs undertaken on behalf of the subsidiaries via intercompany invoices; advances and repayment of intercompany loans and related interest expenses; equity purchases; returns of capital and dividend declaration/payment by the subsidiaries. The method of transfer is dependent on the financing or other arrangement established amongst Kinross and/or its applicable subsidiaries. All fund transfers from Kinross' subsidiaries are in compliance with applicable law.

Records Management of the Company's Subsidiaries

As required by applicable law, original copies of all corporate records are required to be maintained in the language of, and stored at the offices of, each subsidiary in the jurisdiction of incorporation. However, where practical, a duplicate set of corporate records for certain subsidiaries is maintained at Kinross' head office in Toronto. Kinross also maintains a web-based global entity management system for recording such corporate information and documents which is regularly monitored and updated by Kinross' corporate secretarial team and/or the regional legal teams.

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 2017 was approximately $ 1,257 ($ 1,251 during 2016). Kinross used a gold price of $1,200 per ounce at the end of 2017 to estimate mineral reserves.

Kinross' attributable estimated proven and probable mineral reserves as at December 31, 2017, was 25.9 million ounces of gold and 52.6 million ounces of silver.[1]

Three-Year History

On November 12, 2015, Kinross announced that it had entered into a definitive asset purchase agreement to acquire 100% of the Bald Mountain ("Bald Mountain") gold mine, which includes a large associated land package, and the remaining 50% of the Round Mountain gold mine in Nevada from Barrick Gold Corporation ("Barrick") for $610 million in cash, subject to a working capital adjustment, which reduced the purchase price to $588 million. In addition, Barrick received a contingent 2% net smelter return

[1] The Company no longer has any proven and probable copper reserves, which were exclusively at Cerro Casale. Cerro Casale was sold by the Company on June 9, 2017.

royalty on future gold production from Kinross' 100%-owned Bald Mountain lands that will come into effect following the post-closing production of 10 million ounces from such lands. Barrick also retained a 50% interest in an exploration joint venture partnership with Kinross over 40% of the land package outside the current core mining area. The transaction was completed on January 11, 2016.

On February 24, 2016, Kinross announced a bought deal public equity offering of 83,400,000 common shares at a price of $3.00 per common share for gross proceeds of approximately $250 million. Kinross sold the common shares to a syndicate of underwriters led by TD Securities Inc. and Scotiabank pursuant to an underwriting agreement dated February 24, 2016. Kinross used $175 million of the net proceeds to repay the credit facilities that were utilized to purchase assets from Barrick, with the balance being used to repay debt maturing in 2016 and for general corporate purposes. The offering was completed on March4, 2016. On March 18, 2016, Kinross completed the offering of an additional

12,510,000 common shares at a price of $3.00 per common share for an additional gross proceeds of $37,530,000 pursuant to the exercise of the over-allotment option by the syndicate of underwriters.

On March 28, 2017, Kinross announced the sale of its 25% interest in the Cerro Casale project in Chile, and its 100% interest in the Quebrada Seca exploration project located adjacent to Cerro Casale, to Goldcorp Inc. ("Goldcorp") for: (i) $260 million in cash paid at closing (which includes $20 million for Quebrada Seca); (ii) $40 million in cash, payable following a positive construction decision by the Cerro Casale joint venture; (iii) the assumption by Goldcorp of a $20 million contingent payment obligation due to Barrick under the existing Cerro Casale shareholders agreement, which is payable when commercial production at Cerro Casale commences; and (iv) a 1.25% royalty from Goldcorp based on 25% of gross revenues from all metals sold at Cerro Casale and Quebrada Seca, with Kinross foregoing the first $10 million in royalty payments. The transaction was completed on June 9, 2017. Additionally, on closing Kinross entered into a water supply agreement with the Cerro Casale joint venture. After certain conditions are met, the agreement provides Kinross with certain rights to access, up to a fixed amount, water not required by the Cerro Casale joint venture. Kinross expects to use this water for its Chilean assets and would be responsible for the incremental capital costs to accommodate the supply of water to the Company along with its pro rata share of operating and maintenance costs.

On March 30, 2016, the Company filed an updated NI 43-101 Technical Report in respect of its Tasiast project and announced that it would proceed with a phase one expansion of its Tasiast mine as outlined in the Technical Report. The Company proposed a two-phased expansion of the Tasiast project that leverages the existing mill infrastructure. Phase One of the expansion is expected to increase the mill throughput from the current 8,000 tonnes per day to 12,000 tonnes per day ("t/d").

On May 18, 2017, Kinross announced that it had entered into an agreement to sell its 100% interest in the White Gold exploration project in the Yukon Territory to White Gold Corp. ("White Gold"). On June 14, 2017, the Company completed the sale for gross cash proceeds of $7.6 million, 17.5 million common shares of White Gold representing 19.9% of the issued and outstanding shares of White Gold, and deferred payments of $11.4 million payable in three equal payments of $3.8 million upon completion of specific milestones.

On June 28, 2017, Kinross announced an offering of $500 million principal amount of its 4.50% Senior Notes due 2027. 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. The offering was completed on July 6, 2017. Kinross used the net proceeds, along with available cash on hand, to repay its term loan, which was due August 2020.

On July 28, 2017, Kinross extended the maturity date of its $1.5 billion revolving credit facility by one year to 2022.

On September 18, 2017, Kinross announced that it was proceeding with the Phase Two expansion of its Tasiast mine. Phase Two is expected to increase mill capacity to 30,000 t/d.

On September 18, 2017, Kinross also announced its intent to proceed with the Round Mountain Phase W project in Nevada.

On September 19, 2017, Kinross agreed to sell 100% of the DeLamar project to Integra Resources Corp. ("Integra") for cash and a non-interest bearing promissory note, payable 18 months after closing, totaling C$7.2 million and the issuance of Integra shares equal to 9.9% of all of the issued and outstanding Integra shares upon closing of the transaction. The DeLamar project is subject to a 2.5% retained variable net smelter return ("NSR") royalty payable to Kinross that will be reduced to 1% when royalty payments have accumulated to C$10.0 million. The transaction was completed on November 3, 2017.

On December 12, 2017, Kinross announced that it had gained mineral rights to a 287-hectare (709-acre) parcel of land known as Gilmore located immediately west of its Fort Knox mine in Alaska.

On February 2, 2018, Compania Minera Mantos de Oro ("MDO"), a subsidiary of the Company, Minera La Coipa ("MLC") and Salmones de Chile Alimentos S.A. ("SDCA") agreed, among other things, to spin out the Phase 7 concessions surrounding Kinross' La Coipa mine into a new company and MDO agreed to purchase SDCA's 50% interest in such company in exchange for payments to SDCA totaling $65 million. Prior to completion of the transaction, MDO held a 50% ownership interest in the Phase 7 deposit through its 50% ownership of MLC, with the remaining 50% held by Salmones de Chile Alimentos S.A. ("SDCA"). Following completion of the transaction on March 19 2018, MDO now holds a 100% ownership interest in the Phase 7 deposit.

On February 14, 2018, Kinross announced that its wholly-owned subsidiary, Kinross Brasil Mineraçao, had agreed to acquire two hydroelectric power plants in Brazil from a subsidiary of Gerdau SA for $257 million[2]. The acquisition is expected to close within approximately three to six months after announcement, subject to regulatory approvals and the satisfaction of other conditions precedent.

DESCRIPTION OF THE BUSINESS

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 material properties of Kinross as of December 31, 2017 were as follows:

Property	Location	Property Ownership[(1)]
Paracatu	Brazil	100%
Kupol-Dvoinoye	Russian Federation	100%
Tasiast	Mauritania	100%

(1) The Paracatu and Tasiast properties are subject to various royalties (see "Kinross Material Properties" —"Paracatu, Brazil" and "Tasiast, Mauritania").

In addition, as of December 31, 2017, Kinross held a 100% interest in the Fort Knox property in Alaska, United States, a 100% interest in the Kettle River-Buckhorn properties in Washington, United States, which includes the Kettle River mill and the Buckhorn mine, a 100% interest in the Round Mountain mine in Nevada, United States, a 100% interest in the Bald 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 100% interest in the Maricunga mine in Chile and other mining properties in

[2] This amount assumes a foreign exchange rate of 3.25 Brazilian reais to the U.S. dollar.

various stages of exploration, development, reclamation, and closure. The Company's principal product is gold and it also produces silver as a by-product.

Employees

At December 31, 2017, Kinross and its subsidiaries employed approximately 8,850 employees. In Brazil, a new collective agreement for Paracatu was signed on February 1, 2017. In Chile two new collective agreements for Maricunga were signed in February 2017. In West Africa, employees at the Chirano and Tasiast mines are also represented by unions. In Mauritania a new collective agreement was signed in October 2016 and is valid until November 2019. In Ghana, new collective agreements for junior staff and senior staff at Chirano were signed in January 2017. In Russia, a union was registered at Kupol in February 2012, but there are currently no union members. At Dvoinoye, a union was registered in 2015, which currently has two members. Collective bargaining is not required until a majority of Dvoinoye employees have joined the union. All of Kinross' employees in the United States and Canada are non-unionized.

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 of 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 licences, 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 13 to the audited consolidated financial statements of the Company for the year ended December 31, 2017.

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

POLICY - The Corporate Environmental Policy sets the overall expectations for maintaining environmental compliance, managing our environmental footprint, and systematic monitoring of our

environmental performance. The policy assigns accountabilities to implement those expectations, which apply to all stages of exploration, development, operation and closure.

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' adoption of the standards outlined in 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 in the process of being certified.

AUDITS - Comprehensive environmental compliance audits are conducted at all operations and at selected residual properties on a triennial 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. Audit topics for detailed review are based on site-specific risks.

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, programs are in place to assess the management and stability of tailings and other engineered facilities. They include detailed water balance accounting, to assure sufficient storage capacity, and effective operational procedures. Every Kinross operation has a tailings or heap management plan in place, and tailings facilities are the subject of periodic review by independent experts. In addition, Kinross performs periodic assessments of engineered systems to assure adequate 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 sites to develop and maintain reclamation and closure plans to address the Company's reclamation and closure obligations in accordance with applicable local regulations and Kinross' corporate environmental management standards.

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' total attributable production in 2017 was derived from the mines in the Americas (61%), 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 total attributable production and sales from continuing operations by Kinross in the last three years:

	Years ended December 31,		
	2017	2016	2015
Gold equivalent production — ounces	**2,673,533**	**2,789,150**	**2,594,652**
Gold equivalent sales — ounces	**2,596,754**	**2,758,306**	**2,608,870**

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 each of the three *comparative* years. The ratios were 73.72:1 in 2017, 72.95:1 in 2016 and 73.92:1 in 2015.

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

	2017	2016	2015
Americas:			
Fort Knox	381,115	409,844	401,553
Round Mountain[1]	436,932	378,264	197,818
Bald Mountain[2]	282,715	130,144	n/a
Kettle River-Buckhorn	76,570	112,274	97,368
Paracatu	359,959	483,014	477,662
Maricunga	91,127	175,532	212,155
Total	1,628,418	1,689,072	1,386,556
West Africa:			
Tasiast	243,240	175,176	219,045
Chirano[3]	221,424	190,759	230,488
Total	464,664	365,935	449,533
Russian Federation:			
Kupol-Dvoinoye	580,451	734,143	758,563

(1) Represents Kinross' 50% ownership interest up to January 11, 2016. On January 11, 2016, Kinross acquired the remaining 50% interest.
(2) Represents partial year only. Kinross acquired Bald Mountain on January 11, 2016.
(3) Represents Kinross' 90% ownership interest.

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 jewelry 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 2017, sales from operations to its top three customers totaled $694.5 million, $531.5 million, and $342.1 million respectively, for an aggregate of $1,568.1 million. In 2016, sales from operations to its top three customers totaled $611.4 million, $473.5 million, and $405.5 million respectively, for an aggregate of $1,490.4 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
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
2012	$ 1,791.75	$ 1,540.00	$ 1,668.98
2013	$ 1,693.75	$ 1,192.00	$ 1,411.23
2014	$ 1,385.00	$ 1,142.00	$ 1,266.40
2015	$ 1,295.75	$ 1,049.40	$ 1,160.06
2016	$ 1,366.25	$ 1,077.00	$ 1,250.80
2017	$ 1,346.25	$ 1,151.00	$ 1,257.15

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 May 10, 2014 (the "CIM Standards") which are incorporated in the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. The following definitions are reproduced from the CIM Standards:

A ***Mineral Resource*** is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An ***Indicated Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A ***Measured Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A ***Mineral Reserve*** is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

A ***Probable Mineral Reserve*** is the economically mineable part of an Indicated Mineral Reserve, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve. The qualified person(s) may elect, to convert Measured Mineral Resources to Probable Mineral Reserves if the confidence in the Modifying Factors is lower than that applied to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study.

A ***Proven Mineral Reserve*** is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors. Application of the Proven Mineral Reserve category implies that the qualified person has the highest degree of confidence in

the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect the potential economic viability of the deposit. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a Pre-Feasibility Study. Within the CIM Standards, the term Proved Mineral Reserve is an equivalent term to a Proven Mineral Reserve.

Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

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 [1,3,4,5,6,8]
Kinross Gold Corporation's Share at December 31, 2017

		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											
Bald Mountain	USA	100.0%	6,490	0.7	143	88,726	0.5	1,555	95,216	0.6	1,698
Fort Knox Area	USA	100.0%	23,671	0.5	357	65,187	0.4	888	88,858	0.4	1,245
Round Mountain Area	USA	100.0%	49,266	0.5	853	75,116	0.8	2,031	124,382	0.7	2,884
SUBTOTAL			79,427	0.5	1,353	229,029	0.6	4,474	308,456	0.6	5,827
SOUTH AMERICA											
La Coipa [8]	Chile	100.0%	59	1.6	3	15,603	1.7	841	15,662	1.7	844

Paracatu	Brazil	100.0%	511,127	0.4	6,805	131,194	0.5	2,019	642,321	0.4	8,824
SUBTOTAL			511,186	0.4	6,808	146,797	0.6	2,860	657,983	0.5	9,668
AFRICA											
Chirano	Ghana	90.0%	3,639	1.0	122	4,662	3.0	445	8,301	2.1	567
Tasiast	Mauritania	100.0%	30,535	1.2	1,191	94,254	2.2	6,670	124,789	2.0	7,861
SUBTOTAL			34,174	1.2	1,313	98,916	2.2	7,115	133,090	2.0	8,428
RUSSIA											
Dvoinoye	Russia	100.0%	1,287	5.2	216	1,296	8.6	360	2,583	6.9	576
Kupol	Russia	100.0%	770	6.2	155	4,808	8.3	1,280	5,578	8.0	1,435
SUBTOTAL			2,057	5.6	371	6,104	8.4	1,640	8,161	7.7	2,011
TOTAL GOLD			626,844	0.5	9,845	480,846	1.0	16,089	1,107,690	0.7	25,934

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**

PROVEN AND PROBABLE MINERAL RESERVES [1,3,4,5,6,8]

Kinross Gold Corporation's Share at December 31, 2017

		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	100.0%	3,652	6.1	713	3,641	5.6	658	7,293	5.8	1,371
SUBTOTAL			3,652	6.1	713	3,641	5.6	658	7,293	5.8	1,371
SOUTH AMERICA											
La Coipa [8]	Chile	100.0%	59	152.9	291	15,603	67.6	33,897	15,662	67.9	34,188
SUBTOTAL			59	152.9	291	15,603	67.6	33,897	15,662	67.9	34,188
RUSSIA											
Dvoinoye	Russia	100.0%	1,287	9.7	402	1,296	13.1	544	2,583	11.4	946
Kupol	Russia	100.0%	770	81.8	2,025	4,808	91.1	14,086	5,578	89.8	16,111
SUBTOTAL			2,057	36.7	2,427	6,104	74.6	14,630	8,161	65.0	17,057
TOTAL SILVER			5,768	18.5	3,431	25,348	60.4	49,185	31,116	52.6	52,616

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) [2,3,4,5,6,7,8]

Kinross Gold Corporation's Share at December 31, 2017

		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											
Bald Mountain	USA	100.0%	21,853	0.7	465	158,485	0.6	2,884	180,338	0.6	3,349
Fort Knox Area	USA	100.0%	24,606	0.4	320	213,425	0.4	2,909	238,031	0.4	3,229
Round Mountain Area	USA	100.0%	2,378	0.4	30	102,683	0.7	2,363	105,061	0.7	2,393
SUBTOTAL			48,837	0.5	815	474,593	0.5	8,156	523,430	0.5	8,971
SOUTH AMERICA											
La Coipa [8]	Chile	100.0%	5,305	1.8	304	9,849	1.9	599	15,154	1.9	903
Lobo Marte	Chile	100.0%	96,646	1.1	3,525	88,720	1.2	3,489	185,366	1.2	7,014
Maricunga	Chile	100.0%	35,908	0.8	937	209,097	0.7	4,492	245,005	0.7	5,429
Paracatu	Brazil	100.0%	164,286	0.3	1,530	158,541	0.3	1,719	322,827	0.3	3,249
SUBTOTAL			302,145	0.6	6,296	466,207	0.7	10,299	768,352	0.7	16,595
AFRICA											
Chirano	Ghana	90.0%	3,075	1.7	166	7,900	2.3	580	10,975	2.1	746
Tasiast	Mauritania	100.0%	4,936	0.7	113	69,655	1.3	2,846	74,591	1.2	2,959
SUBTOTAL			8,011	1.1	279	77,555	1.4	3,426	85,566	1.3	3,705
RUSSIA											
Dvoinoye	Russia	100.0%	—	—	—	28	6.2	6	28	6.2	6
Kupol	Russia	100.0%	75	8.9	21	826	11.2	296	901	11.0	317
SUBTOTAL			75	8.9	21	854	11.0	302	929	10.8	323
TOTAL GOLD			359,068	0.6	7,411	1,019,209	0.7	22,183	1,378,277	0.7	29,594

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**

MEASURED AND INDICATED MINERAL RESOURCES (EXCLUDES PROVEN AND PROBABLE MINERAL RESERVES) [2,3,4,5,6,7,8]

Kinross Gold Corporation's Share at December 31, 2017

Property	Location	Kinross Interest (%)	Measured Tonnes (kt)	Measured Grade (g/t)	Measured Ounces (koz)	Indicated Tonnes (kt)	Indicated Grade (g/t)	Indicated Ounces (koz)	Measured and Indicated Tonnes (kt)	Measured and Indicated Grade (g/t)	Measured and Indicated Ounces (koz)
NORTH AMERICA											
Round Mountain Area	USA	100.0%	2,378	8.7	667	5,309	6.8	1,160	7,687	7.4	1,827
SUBTOTAL			2,378	8.7	667	5,309	6.8	1,160	7,687	7.4	1,827
SOUTH AMERICA											
La Coipa [8]	Chile	100.0%	5,305	37.1	6,330	9,849	74.0	23,445	15,154	61.1	29,775
SUBTOTAL			5,305	37.1	6,330	9,849	74.0	23,445	15,154	61.1	29,775
RUSSIA											
Dvoinoye	Russia	100.0%	—	—	—	28	6.0	5	28	6.0	5
Kupol	Russia	100.0%	75	126.4	303	826	135.5	3,598	901	134.8	3,901
SUBTOTAL			75	126.4	303	854	131.3	3,603	929	130.9	3,906
TOTAL SILVER			7,758	29.3	7,300	16,012	54.8	28,208	23,770	46.5	35,508

Inferred Mineral Resources

Cautionary Note to United States Investors Concerning Estimates of Inferred Mineral Resources

This section uses the term "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 [2,3,4,5,6,7,8]
Kinross Gold Corporation's Share at December 31, 2017

Property	Location	Kinross Interest (%)	Inferred Tonnes (kt)	Inferred Grade (g/t)	Inferred Ounces (koz)
NORTH AMERICA					
Bald Mountain	USA	100.0%	43,305	0.4	597
Fort Knox Area	USA	100.0%	56,458	0.4	689
Round Mountain Area	USA	100.0%	89,078	0.7	2,115
SUBTOTAL			188,841	0.6	3,401
SOUTH AMERICA					
La Coipa [8]	Chile	100.0%	2,121	1.5	101
Lobo Marte	Chile	100.0%	2,003	1.1	69
Maricunga	Chile	100.0%	53,133	0.6	1,044
Paracatu	Brazil	100.0%	31,033	0.2	227
SUBTOTAL			88,290	0.5	1,441
AFRICA					
Chirano	Ghana	90.0%	1,590	3.0	152
Tasiast	Mauritania	100.0%	41,771	0.9	1,237
SUBTOTAL			43,361	1.0	1,389
RUSSIA					
Dvoinoye	Russia	100.0%	14	11.8	5
Kupol	Russia	100.0%	489	9.3	146
SUBTOTAL			503	9.4	151
TOTAL GOLD			320,995	0.6	6,382

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT **SILVER**
INFERRED MINERAL RESOURCES [2,3,4,5,6,7,8]
Kinross Gold Corporation's Share at December 31, 2017

Property	Location	Kinross Interest (%)	Inferred Tonnes (kt)	Inferred Grade (g/t)	Inferred Ounces (koz)
NORTH AMERICA					
Round Mountain Area	USA	100.0%	960	1.7	54
SUBTOTAL			960	1.7	54

SOUTH AMERICA					
La Coipa [8]	**Chile**	**100.0%**	**2,121**	**45.2**	**3,081**
SUBTOTAL			**2,121**	**45.2**	**3,081**
RUSSIA					
Dvoinoye	**Russia**	**100.0%**	**14**	**10.7**	**5**
Kupol	**Russia**	**100.0%**	**489**	**131.2**	**2,062**
SUBTOTAL			**503**	**127.8**	**2,067**
TOTAL SILVER			**3,584**	**45.1**	**5,202**

Stockpiles

The following table reflects proven mineral reserves and measured resources 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, 2017

			Proven			Probable			Proven and Probable		
Property	**Location**	**Kinross Interest (%)**	**Tonnes (kt)**	**Grade (g/t)**	**Ounces (koz)**	**Tonnes (kt)**	**Grade (g/t)**	**Ounces (koz)**	**Tonnes (kt)**	**Grade (g/t)**	**Ounces (koz)**
GOLD											
Chirano Stockpile	Ghana	90.0%	3,274	0.9	98	—	—	—	3,274	0.9	98
Dvoinoye Stockpile	Russia	100.0%	1,156	5.0	186	—	—	—	1,156	5.0	186
Fort Knox Stockpile	USA	100.0%	5,150	0.4	63	—	—	—	5,150	0.4	63
Kupol Stockpile	Russia	100.0%	399	5.2	66	—	—	—	399	5.2	66
Paracatu Stockpile	Brazil	100.0%	24,783	0.3	226	—	—	—	24,783	0.3	226
Round Mountain Stockpile	USA	100.0%	25,745	0.5	378	—	—	—	25,745	0.5	378
Tasiast Stockpile	Mauritania	100.0%	18,346	1.0	601	—	—	—	18,346	1.0	601
TOTAL			**78,853**	**0.6**	**1,618**	**—**	**—**	**—**	**78,853**	**0.6**	**1,618**
SILVER											
Dvoinoye Stockpile	Russia	100.0%	1,156	9.5	353	—	—	—	1,156	9.5	353
Kupol Stockpile	Russia	100.0%	399	69.2	886	—	—	—	399	69.2	886
TOTAL			**1,555**	**24.8**	**1,239**	**—**	**—**	**—**	**1,555**	**24.8**	**1,239**

MINERAL RESERVE AND MINERAL RESOURCE STATEMENT
STOCKPILE INVENTORY (INCLUDED IN INFERRED MINERAL RESOURCES)
Kinross Gold Corporation's Share at December 31, 2017

			Measured		
Property	**Location**	**Kinross Interest (%)**	**Tonnes (kt)**	**Grade (g/t)**	**Ounces (koz)**
GOLD					
Maricunga Stockpile	Chile	100.0%	7,106	0.4	98
Paracatu Stockpile	Brazil	100.0%	30,873	0.2	225
TOTAL			**37,979**	**0.3**	**323**

Notes — 2017 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 and a silver price of US$ 17.00 per ounce. 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 reserve estimates are reported in contained units and are estimated based on the following foreign exchange rates:

Russian Rouble to US$ 60
Chilean Peso to US$ 650
Brazilian Real to US$ 3.25
Ghanaian Cedi to US$ 4.00
Mauritanian Ouguiya to US$ 330

(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 and a silver price of US$ 20.00 per ounce. Foreign exchange rates for estimating mineral resources were the same as for mineral reserves.

(3) The Company's mineral reserve and mineral resource estimates as at December 31, 2017 are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves" adopted by the

CIM Council (as amended, the "CIM Definition 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 the CIM Definition Standards. The CIM Definition Standards differ from the definitions in the United States Securities and Exchange Commission ("SEC") *Industry Guide 7 Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations* ("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 by 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) The Company's mineral resource and mineral reserve estimates were prepared under the supervision of and verified by Mr. John Sims, an officer of Kinross, who is a qualified person as defined by NI 43-101.

(6) 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.

(7) 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.

(8) Includes mineral resources from the Puren deposit in which the Company holds a 65% interest. Mineral resources for the Phase 7 project are reported at 100% ownership. Kinross currently holds a 50% interest in the Phase 7 project but has entered into an agreement whereby it has agreed to purchase the other 50% that it does not currently own. This transaction is expected to close within 90 days following the announcement on February 2, 2018.

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

Property	Average Process Recovery (%)	2017 Cutoff Grade(s) (g/t Au)	Unit Cost (U.S. $/tonne)
Bald Mountain	59% to 76%	0.14 to 0.20	$3.30 to $3.70
Fort Knox and Area	65% to 70%	0.10 to 0.32	$3.10 to $8.60
Round Mountain and Area	6% to 74%	0.25 to 2.04	$4.60 to $10.00
Paracatu	80%	0.29	$8.50
Chirano	91%	0.83 to 2.41	$27.50 to $66.70
Tasiast	60 to 93%	0.4 to 0.7	$19.10 to $25.80
Dvoinoye	94%	4.7 to 6.5	$127 to $175
Kupol	92%	5 g/t AuEq*	$144 to $166
		(g/t Ag)	
SILVER			
Round Mountain and Area	21 to 67% (Gold Hill)	Included as AuEq*	$4.60 to $10.00
Dvoinoye	81%	n/a	$127 to $175
Kupol	82%	Included as AuEq*	$144 to $166

** Cut-Off Grade at Round Mountain and Kupol is applied on a gold equivalent basis, using a silver to gold price ratio of 0.0142. The ratio of silver to gold recovery is also used at Round Mountain, and varies by ore type.

Reserve reconciliation is shown in the following tables:

2016 - 2017 Reserve Reconciliation

Gold Reserves (Proven and Probable

	Kinross Interest (%)	2016 Gold Reserves (koz)	Production Depletion (koz)	Exploration/ Engineering Change (koz)	M&A/Divestiture Change (koz)	Reserve Growth or Depletion	2017 Gold Reserves (koz)
NORTH AMERICA							
Bald Mountain	100.0%	2,133	(525)	91	0	(435)	1,698
Fort Knox	100.0%	1,506	(515)	255	0	(261)	1,245
Kettle River	100.0%	25	(25)	0	0	(25)	0
Round Mountain	100.0%	1,267	(648)	2,266	0	1,617	2,884
SUBTOTAL		**4,931**	**(1,713)**	**2,612**	**0**	**896**	**5,827**
SOUTH AMERICA							
Cerro Casale	0.0%	5,811	0	0	(5,811)	(5,811)	0
La Coipa	100.0%	0	0	844	0	844	844
Paracatu	100.0%	9,034	(542)	332	0	(210)	8,824
SUBTOTAL		**14,845**	**(542)**	**1,176**	**(5,811)**	**(5,177)**	**9,668**
AFRICA							
Chirano	90.0%	872	(288)	(16)	0	(305)	567
Tasiast	100.0%	8,015	(106)	(49)	0	(154)	7,861
SUBTOTAL		**8,887**	**(394)**	**(65)**	**0**	**(459)**	**8,428**
RUSSIA							
Dvoinoye	100.0%	619	(228)	185	0	(43)	576
Kupol	100.0%	1,683	(335)	87	0	(248)	1,435
SUBTOTAL		**2,302**	**(563)**	**272**	**0**	**(291)**	**2,011**
TOTAL GOLD		**30,965**	**(3,212)**	**3,995**	**(5,811)**	**(5,031)**	**25,934**

Silver Reserves

	Kinross Interest (%)	2016 Silver Reserves (koz)	Production Depletion (koz)	Exploration/ Engineering Change (koz)	M&A/Divestiture Change (koz)	Reserve Growth or Depletion	2017 Silver Reserves (koz)
NORTH AMERICA							
Round Mountain	100.0%	1,232	(475)	613	0	139	1,371
SUBTOTAL		**1,232**	**(475)**	**613**	**0**	**139**	**1,371**
SOUTH AMERICA							
Cerro Casale	0.0%	14,672	0	0	(14,672)	(14,672)	0
La Coipa	100.0%	0	0	34,187	0	34,188	34,188
SUBTOTAL		**14,672**	**0**	**34,187**	**(14,672)**	**19,516**	**34,188**
RUSSIA							
Dvoinoye	100.0%	1,032	(279)	193	0	(86)	946
Kupol	100.0%	20,489	(4,553)	175	0	(4,378)	16,111
SUBTOTAL		**21,521**	**(4,832)**	**368**	**0**	**(4,464)**	**17,057**
TOTAL SILVER		**37,425**	**(5,307)**	**35,168**	**(14,672)**	**15,191**	**52,616**

Copper Reserves

	Kinross Interest (%)	2016 Copper Reserves (Mlbs)	Production Depletion (Mlbs)	Exploration/ Engineering Change (Mlbs)	M&A/Divestiture Change (Mlbs)	Reserve Growth or Depletion	2017 Copper Reserves (Mlbs)
SOUTH AMERICA							
Cerro Casale	0.0%	1,444	0	0	(1,445)	(1,444)	0
SUBTOTAL		**1,444**	**0**	**0**	**(1,445)**	**(1,444)**	**0**
TOTAL COPPER		**1,444**	**0**	**0**	**(1,445)**	**(1,444)**	**0**

Note: Mineral reserves are inclusive of stockpile material.

Footnotes from Reserve statement apply.

Kinross Material Properties

The technical information in this AIF has been prepared under the supervision of, or reviewed by, Mr. John Sims, a qualified person under NI 43-101, who is an officer of the Company.

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 facilities areas, Santo Antônio and Eustáquio, and related surface infrastructure.

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".

Technical Report

Please see the Company's National Instrument 43-101 Technical Report dated March 30, 2014 in respect of Paracatu, prepared by John Sims, available at www.kinross.com and under the Company's profile on SEDAR (www.sedar.com). Detailed financial, production and operational information for the Paracatu mine are available in Kinross' MD&A for the year ended December 31, 2017.

Property Description, Location and Access

The Paracatu mine is a large-scale open pit mine located adjacent to the city of Paracatu, situated in the northwestern portion of Minas Gerais State, 230 kilometres southeast of the national capital Brasília and 480 kilometres northwest of the state capital Belo Horizonte.

In Brazil, mining licences (known as decrees) are now issued by the Agência Nacional de Mineração ("ANM") and were previously issued by the Departamento Nacional de Produção Mineral ("DNPM") until November 2017. Once certain obligations have been satisfied, DNPM issues a mining decree that is renewable annually, and has no set expiry date. KBM currently holds its title by way of five mining licences (Grupamento Mineiro) issued by DNPM totalling 1,916 hectares. The mine and most of the surface infrastructure lie within the mining licences 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 15 exploration permits (11,405 hectares) and has applied for title to an additional 10 exploration permits (11,224 hectares) and 2 mining applications (1,056 hectares) in the area surrounding the mine.

Effective January 1, 2018, KBM must pay to DNPM a royalty equivalent to 1.5% of gross revenues for gold and 2.0% of gross revenues for silver. Another 0.75% 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.

Access from Paracatu is by vehicle via a four lane paved mine access road. A small paved airstrip that can accommodate small, charter

aircraft also services Paracatu.

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.

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

In 2006, an expansion project (Plant II) was approved by Kinross' Board of Directors, and in 2007, construction of a new 41 million tonnes 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 at Paracatu, which consisted of the implementation of a third ball mill to increase the grinding capacity needed to process harder ore from the Paracatu orebody. That 15 megawatt ball mill was delivered in 2010, and installation and commissioning was completed in the third quarter of 2011.

With a view to adding processing and grinding capacity, in 2010 the Company approved the addition of a fourth ball mill. Start-up of the fourth ball mill occurred in the third quarter of 2012.

Geological Setting, Mineralization and Deposit Types

The Paracatu property is located within the Brasília Belt, a north-south trending Neoproterozoic belt that extends along the western side of the São Fransisco-Congo Craton. Sedimentary units are mostly preserved in the northern part of the belt, whereas in the southern part where Paracatu is located, there is intense deformation and metamorphism, and contacts between metasedimentary units are primarily tectonic. A series of east-northeast trending thrust faults is developed extensively along the belt. Metamorphic grade increases towards the west as the thickness of the fold belt increases. The timing of deformation is estimated at 800 to 600 million years ago, which coincides with the Brasiliano orogenic cycle.

The property is underlain by a thick sequence of phyllites belonging to the basal Morro do Ouro Member of the Paracatu Formation of the Upper Proterozoic Canastra Group. The Canastra Group is exposed along the south-central portion of the Brasília Belt, and is composed of sandy and shaley metasedimentary rocks. Due to intense deformation, the stratigraphic organization of the Canastra Group is not fully understood. The Canastra Group was metamorphosed to greenschist grade, although locally amphibolite grade assemblages have been reported.

The Paracatu Formation is subdivided into the basal Morro do Ouro Member, a 100-metre thick layer of dark carbonaceous phyllite, and the overlying Serra da Anta Member, a sericitic phyllite. Both phyllites display fine-grained quartzite intercalations.

The host phyllites of the Paracatu Formation exhibit extensive deformation and feature well-developed quartz boudins and associated sulphide mineralization. Sericite minerals are common, likely as a result of extensive metamorphic alteration of the host rocks. Primary sedimentary features and bedding planes are easily recognizable, but are intensively deformed by thrusting, particularly along bedding planes, and the development of sygmoidal and boudinage structures.

Mineralization at Paracatu is closely related to a period of ductile deformation associated with shearing and thrust faulting. Overall, the Morro do Ouro sequence has been thrust to the northeast. Intense, low angle isoclinal folds are commonly observed. The mineralization appears to be truncated to the north by a major normal fault trending east-northeast. The displacement along this fault is currently unknown. The current interpretation is that the fault has displaced the mineralization upwards and erosion has removed the mineralization in the up-thrown block.

The Paracatu mineralization is subdivided into four horizons defined by the degree of oxidation, surface weathering, and sulphide mineralization. The contact between unmineralized host rock and the various mineralized horizons is gradational, occurring over a 10-metre thick interval that is characterized by arsenic values of 200 ppm to 500 ppm and gold grades of up to 0.2 g/t. The sulphides content typically does not exceed 3% to 4%. The most common sulphides observed are arsenopyrite, pyrite and pyrrhotite. Galena is relatively common and may be accompanied by sphalerite. Chalcopyrite occurs locally in fractures within the main sulphide minerals listed above.

The mineralization at Paracatu exhibits distinct mineralogical zoning with the arsenopyrite content increasing towards the centre and west and in the zones of intense deformation. Gold grade increases with increasing arsenopyrite content. Pyrrhotite occurs in the western part of the deposit and gold grades are elevated where higher pyrrhotite content is observed. The deposit formation model proposed for Paracatu suggests that gold and arsenopyrite were introduced concurrently during the deformation event. Gold occurs either as free gold or electrum.

The deposit has extraordinary lateral and longitudinal continuity. The majority of exploration efforts have sought to better define the continuous longitudinal continuity of mineralized phyllites at depth west of Rico Creek and the lateral limits of the economic mineralization.

Exploration

Since Kinross acquired Paracatu in 2003, exploration efforts have been focused primarily on the main mining area. Exploration outside of the immediate mine area was initiated in 2006.

In the licensed exploration areas immediately bordering the mine leases, exploration activities were concentrated on soil and termite-mound geochemical sampling and interpretation of airborne magnetic survey data to look for nearby features similar to Paracatu. Some target areas were generated, mostly located west and west-northwest of the mine.

A near-pit geophysical survey was performed in 2008 to define the induced polarization (IP) and resistivity geophysical signature for the known buried mineralization of the down-dip southwest extension of the B2 ore zone below and west of Rico Creek. A pattern was identified indicating higher chargeability in the non-mineralized zone above the ore zone, and high resistivity at depth within the ore zone.

Geophysical data were the primary driver of exploration in the licensed exploration areas located 10 km or more from the mine. Definition of favourable structural zones using regional airborne magnetic data yielded three targets which were then surveyed for IP and resistivity. Two targets were located approximately 50 km to 60 km from the mine and the third target was 10 km from the mine. Carbon-rich phyllites with quartz boudins and pyrite similar in lithologic character to the Paracatu deposit, but without gold and arsenopyrite, were identified in one of the targets located further from the mine.

Drilling

The dominant sample collection method used to delineate the Paracatu resource and reserve model is by diamond core drilling. Since acquiring Paracatu in 2003, Kinross has completed a total of 149,657 metres of long term core drilling and sampling.

All drill cores are logged geologically and litho-structural mineralization and physical data are recorded in detailed logging sheets. Diamond core is also photographed and a permanent record is maintained in the on-site electronic filing system. The information collected in the on-site electronic filing system is stored in a secure industry standard database management system.

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 nominal 140 metre hole spacing and represents a departure from historical KBM practices.

In 2009, an infill drilling program was commenced to improve the local estimation inside the areas included in the Paracatu mine plan, including approximately 14,000 metres between 2009 and 2011. An additional 16,774 metres were drilled in 2012, 6,022 metres were drilled in 2013, 6,019 metres drilled in 2014, 4,333 metres drilled in 2015, and 15,522 metres added in 2016. The 2017 program focused on drilling west of Rico Creek with a combination of 3,391 metres of Reverse Circulation (“RC”) collaring through known waste, 3,217 metres of PQ still rod size and 21,813 metres of HQ still rod size for a yearly total of 28,421 metres. The infill drill spacing is designed for 70 x 70 metres overall spacing to further define the mine’s measured resource.

Sampling, Analysis and Data Verification

Drill core is transported by KBM personnel from the drill site to the core logging facility for logging and sampling. Technicians check depth markers and box numbers, reconstruct the core, and calculate core recovery. The core is logged descriptively and marked for sampling by KBM geologists. Logging and sampling data are recorded on hardcopy logs which are later entered into Excel and imported into acQuire software. Core is photographed prior to sampling.

Core recovery from all diamond drill programs is excellent, averaging greater than 98%. The greatest areas of core loss are from the collar to 15 metres downhole in laterite zones. KBM employs a systematic sampling approach where drill core was sampled using standard one metre sample lengths. This sample length was adjusted from one metre to three metres in mid-2017 after review by site and corporate staff to ensure this had no effect on overall sample composites for model construction.

Whole core was submitted for analysis after the core had been logged and photographed. Reference pieces are 8 mm cores used for density and point load testing. These pieces are labelled and stored at the core logging facility. This practice of whole core sampling is acceptable for deposits with a low average grade and good grade continuity. Kinross does not consider the sampling of whole core to be a concern considering the property’s production history.

Only mineralized zones were sampled. The remaining non-mineralized core is stored in labeled metal boxes both at the logging facility and an enclosed secured storage building near the plant. Some core that was assessed to be low grade was chip sampled every one metre and composited to eight metres. In the few cases where the sample returned assay values close to 0.2 g/t of gold, the entire eight metres was re-sampled in the traditional one-metre interval pattern.

Core samples for analysis are stored in a secure warehouse at site prior to sample preparation. The warehouse is either locked or under direct supervision of the geological staff. Prior to shipping, drill core samples are placed in large rice bags and sealed. A sample transmittal form that identifies each batch of samples is prepared. The samples are transported directly to the laboratory for sample preparation and analyses.

All core boxes are covered with wooden lids and nailed shut before being transported by KBM personnel from Geoserve or Geosol rigs

to the logging facility located inside the fenced mine gates. After photographing, logging and marking one metre sample intervals, the whole core is placed in heavy gauge plastic bags with a unique sample tag. The sample tag number is also written in indelible marker on the outside of each sample bag.

Samples to be analyzed at the KBM laboratory are loaded by KBM personnel onto pickup trucks and transported to the KBM crushing facility. After crushing, samples are again transported by pickup truck to the RPM preparation laboratory where samples are riffle split. Approximately 6 kg are stored as coarse rejects and 2 kg are transported by pickup truck to the RPM assay laboratory for pulverization and analysis.

Samples that are to be analyzed by either Lakefield or ALS Chemex are loaded onto transport trucks operated by their respective laboratories and delivered to the appropriate sample preparation facilities in Belo Horizonte or Luziânia.

Analytical results are received electronically from the laboratories and imported into acQuire. Assay batches are reviewed for acceptance by the database administrator.

Prior to the start-up of the mine, all samples were shipped to independent analytical laboratories in Brazil for analysis. After the construction of the mine, most samples were processed at the on-site laboratory. However, in order to meet the demands of the extensive 2005 drill program, Kinross used the following three independent laboratories to perform the analyses: ALS Chemex sample preparation facility (Luziânia, Brazil) and ALS Chemex analytical facility (Vancouver, Canada); SGS Lakefield laboratories (Belo Horizonte, Brazil); and KBM sample preparation and analytical facility (Paracatu). The on-site laboratory is a not a certified analytical facility.

Most samples were prepared by crushing to 95% passing 2.0 mm to 3.5 mm depending on the lab. Two kilogram splits of crushed material were then pulverized to 95% passing 100 to 150 mesh. The remaining coarse reject was stored.

Until 2005, Kinross reduced the nugget effect by combining results from six separate fire assays of 50 g sample aliquots. Each sub-sample was fire assayed followed by an atomic absorption finish. In June 2005, Kinross commissioned Agoratek International to conduct a review of exploration sampling procedures

and to assess the requirements for six 50 g aliquot assays per sample. Agoratek, led by Dominique Francois-Bongarcon, a recognized expert in sampling, reviewed the sampling procedures and concluded that three 50 g analyses would be sufficient for the purposes of the exploration program. Since then, three sub-samples have been used.

Kinross standardized sample preparation and analytical procedures for all three labs as closely as possible, given equipment limitations and differences in internal lab Quality Assurance/Quality Control (“QA/QC”) protocols.

Kinross operated an extensive drill program in 2012 consisting of 307 holes totalling 16,774 metres, drilled in two campaigns referred to as K12 15,000-metre and K12 3,000-metre. QA/QC results for each program are summarized separately below.

The K12 3,000-metre drill hole program consisted of 57 HQ diameter holes totalling 2,835.5 metres of drilling. A total of 135 coarse blanks of crushed limestone, 100 Geostats standards and 335 KBM standards were inserted with the samples sent to the SGS laboratory, representing insertion rates of 4.8% for coarse blanks and 15.3% for the standards. In addition, 139 coarse reject duplicates were analyzed.

There was a 2.2% failure rate in the blanks, no failures of the Geostats standards and 10.7% failure rate in the KBM standards for an overall failure rate of 6.8%. Good laboratory performances were observed with the blanks and Geostats standards. The majority of the failures occurred with the KBM standards and this was primarily due to the poor quality of the standard itself.

The coarse reject duplicates show an absolute mean relative percent difference of 28.6%, which is similar to the results subsequently discussed in the K12 15,000-metre program below. Additional review suggests reasonable repeatability without bias for grade ranges supported by adequate data.

The K12 15,000-metre drill hole program consisted of 250 HQ diameter holes totalling 13,938.6 metres of drilling. The samples for this program were sent to SGS Geosol (11,772.5 m) and Intertek (2,166 m).

For the QA/QC of the SGS Geosol sample preparation and assaying program, a total of 891 standards and 502 coarse blanks of crushed limestone were inserted with the samples sent to the laboratory, representing insertion rates of approximately 7.6% for the standards and 4.3% for coarse blanks. In addition, 555 coarse reject duplicates were also analyzed (4.7% of the data).

There was a 1.8% failure rate in the blanks, and a 13.7% failure rate in the standards. These failure rates are considered high and are primarily a function of lab performance and sample swaps.

Statistical summaries of the coarse reject duplicate results suggest poor precision. This has always been the case with Paracatu assays because of the variability of the mineralized material. There are indications of an analytical bias for the grade range above 1 g/t Au.

For the Intertek QA/QC program, a total of 89 coarse blanks of crushed limestone and 141 Geostats and Rocklabs standards were inserted with the samples sent to the laboratory, representing insertion rates of approximately 4.1% for coarse blanks and 6.5% for the standards. In addition, 98 coarse reject duplicates were also analyzed (4.5% of the data).

There was a 1.1% failure rate in the blanks, no failures of the Geostat OX89A standard and a very poor failure rate of 47% in the remaining standards for an overall failure rate of 26%. There was good performance from the labs on the blanks and Geostat OX89A standard. The coarse reject duplicates also indicate poor precision but are similar to other previous results for Paracatu samples.

Analytical results of standards submitted to Intertek indicate poor lab performance. The laboratory was notified of such results. KBM geology discontinued using Intertek and only one month's worth of data was compromised.

Kinross independently verified 10% of the data collected between 1999 and 2004 against original source documents. The holes were chosen at random and any errors against original sources were documented. The Kinross geology department recently verified 5% of the data collected between 2010 and 2012 against original source documents. The verification did not identify concerns regarding the quality or accuracy of the database.

All data generated during the extensive 2005 drill program were verified by Kinross' exploration geologists. Gold grades were all double entered and weight averaged per sample, then the two databases were cross-checked, with no significant errors or differences detected. The summary database spreadsheet was compared to the individual digital assay certificate files sent by the different laboratories.

The site performed several database checks, including tests for unreasonable grades and sample lengths, from/to mix-ups, missing sample numbers, duplicate sample numbers, unusual maximum or minimum values, etc. Collar locations were verified visually with respect to the topographic surface and drill hole traces were inspected for unreasonable bends and orientations. No significant issues were identified.

As part of external auditing in 2006, 2009, and 2012, RPA verified the gold values in the database with the assay certificates for a total of 1,192 assays from 13 drill holes. No significant errors were identified. RPA also checked the downhole survey values and found no significant errors.

Mineral Processing and Metallurgical Testing

Resource and reserve estimates for Paracatu are based on the operating conditions of Plant I and Plant II. In 2017, the plants processed 37.6 millions of tonnes below plan due to a curtailment in Q3 resulting from lower than average rainfall. Tonnes processed include both mine and tailings reprocessing. An average gold recovery of 74.6% was achieved using a bond ball mill work index of 13.2 kwh/t.

Plant I at Paracatu has operated continuously since 1987 with expansion upgrades in 1997 and 1999. Plant I consists of primary and secondary crushing, ball milling to 80% passing 150 microns, rougher and cleaner flotation, concentrate regrinding and gold leaching in the carbon-in-leach plant (Hydromet Plant). Final gold bullion is produced from the carbon adsorption, desorption and electrowinning circuit.

Plant II started production in September 2008, and achieved commercial production in December 2008. Currently, Plant II comprises an in pit MMD crusher, a 1.8 km conveyor to a covered stockpile area, a 38 ft. diameter SAG mill, and four ball mills. The recovery process uses flotation to produce concentrate, which leached in a carbon-in-leach (CIL) circuit in the hydromet plant. Gold is recovered by a carbon elution and electrowinning process and refined to gold bars.

The plant has a nominal capacity of 41 Mt/a when processing ore with a work index below 8.7 kilowatt hours per tonne (kWh/t). Tonnage throughput will decrease as work index increases.

Mineral Resource and Mineral Reserve Estimates

Refer to the "Kinross Mineral Reserves and Mineral Resources" section for quantity, grades and category. Assumptions are outlined in the Notes — 2017 Kinross Mineral Reserve and Mineral Resource Statements in the "Kinross Mineral Reserves and Mineral Resources" section.

Mining Operations

The Paracatu operation is composed of an open pit mine, two process plants, two tailings facilities, and related surface infrastructure and support buildings.

At Paracatu, ore hardness increases with depth and, as a result, modelling the hardness of the Paracatu is important for costing and process throughput parameters. KBM modeled ore hardness based on Bond Work Index ("BWI") analyses of diamond drill samples. KBM estimated that blasting of the Paracatu ore would be necessary for blocks with a BWI greater than 8.5 kWh/t.

Expansion Project III (2006) increased the mill throughput to 61 Mt/a through the installation of Plant II. This initiative was undertaken to handle harder ore. In September 2010, Kinross installed a third ball mill in Plant II. To further augment processing and grinding capacity, the Company approved the addition of a fourth ball mill in 2010.

In 2011, Kinross installed a desulfurization circuit and received permit approval for the new Eustaquio tailings facility.

Low precipitation levels have caused the temporary curtailment of mining and processing activities on a few occasions since 2015. Mining and processing were most recently curtailed at Paracatu in the third quarter of 2017. Paracatu resumed mining and processing activities in the fourth quarter of 2017 as sufficient water became available. The Company continues to advance its water mitigation efforts to prepare for potential lower rainfall levels in the future. These efforts include securing ground water rights and installation of wells around the site.

Processing and Recovery Operations

In Plant I, ore is crushed through two stages and ground in ball mills prior to gold recovery by flotation. The concentrate is treated by

gravimetric methods first and the coarser gold is recovered. The flotation and gravity concentrate is then leached with cyanide in a CIL circuit, followed by carbon elution and electrowinning to recover gold which is then smelted to form gold bars. The gravity concentrate is leached in a separate high intensity leach reactor followed by electrowinning. Plant I has a nominal capacity of 20 Mt/a when processing ore with a BWI of less than 8 kWh/t.

Plant II initiated production in September 2008, and achieved commercial production levels in December 2008. Currently, Plant II consists of an in-pit MMD crusher, a 1.8 km conveyor to a covered stockpile area, an 11.6-metre diameter SAG mill, and four ball mills. The ore recovery process uses gravity flotation to produce concentrate which is leached with cyanide in a CIL circuit, followed by carbon elution, electrowinning and smelting into gold bars. Plant II also has a gravity circuit including a high intensity leach reactor for processing gravity recoverable gold.

The plant has a nominal capacity of 41 Mt/a when processing ore with a BWI below 8.7 kWh/t. Tonnage throughput decreases as the BWI increases.

Infrastructure, Permitting and Compliance Activities

Paracatu infrastructure and services have been designed to support an operation of 61 Mt/a.

The mine site consists of two processing plants, related mine services facilities (truck shop, truck wash facility, warehouse, fuel storage and distribution facilities, reagent storage and distribution facilities), and other facilities to support operations (safety/security/first aid/emergency response building, assay laboratory, plant guard house, dining facilities, offices etc.).

The mine draws its power from the Brazilian national power grid which is largely based on hydroelectric power generation. KBM is connected to the 500 kV national grid via a 500 kV/230 kV substation owned by the mine. A 230 kV transmission line, approximately 34 km long, feeds the mine from this substation. This transmission line is connected to substation 43-SE-501 located at the mine site which subsequently feeds the Plant II distribution system at 13.8 kV and Plant I transmission line at 138 kV. The 138 kV Plant I transmission line feeds a 138 kV/13.8 kV substation located at Plant I, which subsequently feeds the Plant I distribution system.

On February 14, 2018, KBM signed an agreement to acquire two hydroelectric power plants in the State of Goias, Brazil from a subsidiary of Gerdau SA for $257.0 million[3]. The two power plants have a total installed capacity of 155 megawatts and are expected to supply approximately 70% of Paracatu's future

[3] This amount assumes a foreign exchange rate of 3.25 Brazilian reais to the U.S. dollar.

power needs. The remaining 30% of Paracatu's power demand is expected to continue to be fulfilled by third party suppliers under fixed term power purchase agreements. The transaction is subject to regulatory approvals and is expected to close within approximately three to six months following signing.

Kinross has two main environmental permits: (i) the permit for the new dam (Eustaquio) installed to dispose of tailings from the beneficiation plants; and (ii) the site permit, which permits the mining, processing and Santo Antonio tailings facility.

Since 2009, Kinross has maintained an independent review process for all of its tailings facilities. The review process includes on-site visits once every three years, as well as a review of new construction or new expansions at the design stage. The review is conducted by an independent expert. Given the risk profile at Paracatu, on-site independent reviews are conducted on an annual basis.

In 2018, Kinross is moving from a single independent expert to a panel of experts. The on-site reviews will be conducted by a single independent expert, as before, but the results of all reviews will be discussed with the full panel once per year, and the full panel can be convened on a particular issue if the need arises.

The operation permit ("LO") for the Eustáquio tailings dam was initially granted in November 2011 with 22 conditions that are ongoing. The process of renewing this license began in July 2016 and was renewed for a further 10 years on March 12, 2018. Because the application for renewal was made in a timely manner, the operating permits remained in full force and were valid throughout the renewal process.

The LO for a 61 Mt/a throughput pit was granted in July 2010 with 21 permit conditions after an expansion project that tripled production. It was renewed in July 2013 and is now integrated with the LO for the Eustáquio tailings storage facility.

The main water sources for KBM operations are run-off water collected in the mine sumps, run-off water collected in the tailings dam catchment basins, recirculated effluent from processing activities, and make-up water from three local surface water streams. The majority of process water is captured and maintained in the mine sumps and tailings catchment basins during the rainy season for use during the dry season. The current operating plan has all water in mine sumps pumped to the plants continuously with Eustáquio recycle water pumping set to the desired rate to maintain total demand.

In 2012, Kinross received the authorization for a seasonal pumping system, where most of the water requested for operations would be captured during the rainy season. In this case, a very small amount of water would be pumped from the rivers in the dry season. In 2014, aiming to adjust the water capture to the operation capacity, Kinross rectified this process for a partial seasonal system, which aimed to redistribute the required volume for operation through the year. In 2015, a new water grant was authorized by the agency in order to improve the water balance of the site.

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, 2017, at approximately $75.5 million.

Capital and Operating Costs

The capital cost estimate for Paracatu is summarized in the table below.

Estimated Sustaining Capital for Life of Mine

Area		Sustaining Capital
Mine Mobile Equipment	(US$M)	318.83
Mine Other	(US$M)	27.29
Processing Facilities	(US$M)	171.54
Tailings Facilities	(US$M)	376.29
Site Infrastructure	(US$M)	24.61
Major Development Projects	(US$M)	
Information Technology	(US$M)	11.44
Other	(US$M)	-6.57(1)
Total	(US$M)	**923.43**

(1) The negative amount for "Other" relates to VAT credits over the total amount of investments. These amounts are calculated based on the overall estimate, not on a project-by-project basis, and thus are disclosed in a separate line.

Estimated Operating Costs for Life of Mine

Area	Unit	Cost
Mining	(US$/t processed)	2.92
Processing	(US$/t processed)	4.65
Site Admin	(US$/t processed)	0.92
Total	**(US$/t processed)**	**8.49**

Exploration, Development and Production

The Company has recently completed initial optimization and analysis work for Paracatu. The optimization and analysis work focused on determining the optimal mine plan after taking into account changes undertaken at Paracatu over the past few years. The optimization work also assessed the impact of throughput variances in quartzite-impacted zones, lower realized recoveries in certain zones of the ore body, water mitigation projects, local cost inflation, and changes to the fiscal regime in Brazil. The technical work resulted in an increase of 332,000 ounces to the site's mineral reserves estimates before 2017 depletion and expects to extend Paracatu's mine life to 2032.

In 2017, KBM began a new sampling program. This study is ongoing with full implementation expected by mid-2018.

Kupol and Dvoinoye, Russian Federation



General

Kupol

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 Chukotka Mining & Geological Company ("CMGC").

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

Dvoinoye

In 2010, Kinross acquired a 100% interest in the Dvoinoye underground gold mine through the acquisition of Northern Gold LLC and Regionruda LLC. The Dvoinoye mine is owned and operated by Northern Gold LLC, a wholly-owned subsidiary of Kinross. On October 1, 2013, Kinross began commercial production at the Dvoinoye underground gold mine. Ore from Dvoinoye is processed at the Kupol mill, which is owned by CMGC.

Technical Report

Please see the Company's National Instrument 43-101 Technical Report dated March 31, 2015 , in respect of Kupol and Dvoinoye, prepared by John Sims, available at www.kinross.com and under the Company's profile on SEDAR (www.sedar.com). Detailed financial, production and operational information for the Kupol and Dvoinoye mines are available in Kinross' MD&A for the year ended December 31, 2017.

Property Description, Location, and Access

Kupol

The Kupol mine is located in the Far East of Russia within the Chukotka A.O. The mine is approximately 330 km (by air) south-southwest of Pevek and 1,230 km northeast of the town of Magadan.

The Kupol site is isolated and can only be accessed by air, winter roads, and seasonal summer roads. By winter road, there is a network of roads that are passable between mid-December and mid-April. A paved road travels 35 km from Bilibino south to Keperveem. From Keperveem, a government-maintained winter road travels 140 km along the Anui River to Ilirney. From Ilirney, the winter road travels 160 km southeast to the site. Russian tank vehicles can access the property along these roads from midsummer to fall. The main access road from port facilities is from Pevek to the Kupol site. Pevek and Kupol connect with a combined all-season and winter road for a total distance of approximately 450 km. As of 2013, an all-season road has been constructed from Kupol to Dvoinoye. This section of road connects to the road to Pevek and permits winter and seasonal summer road access from Pevek to Kupol. A further network of 1,500 km of winter roads and all-season roads connects the site to the southern centre of Magadan. The Kupol area is accessible by aircraft and helicopter which land on a 1,800-metre airstrip north of the camp.

The Kupol 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 October 4, 2002, and is held by CMGC.

In 2006, CMGC acquired two 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 443 square kilometres. On August 27, 2010, Kinross, certain subsidiaries, and B2Gold Corporation ("B2Gold") completed an Assignment, Settlement and Release Agreement pursuant to which B2Gold released Kinross and the applicable subsidiaries from certain joint venture obligations that had existed among Kinross, the applicable subsidiaries and B2Gold pursuant to a purchase and sale agreement with respect to the Kupol West and Kupol East licences. In 2014, in accordance with the terms of the Kupol East license, a final report was submitted that concluded that no potential economic resources had been found after five years of exploration work. On December 8, 2017, CMGC therefore informed the sub-soil authorities about the return of the Kupol East license after completion of the environmental requirements stated in the licence agreement.

In December 2014, following an application by CMGC, the Company obtained two new licences in the Kupol region at auction, Kupol North and Leva Mechkereva, totalling together 1,458 square kilometres thus substantially increasing the overall land position of Kinross in the Chukotka A.O. In the first half of 2015, another two licences (Shumnaya and Kitepvaamskaya), totalling together approximately 200 square kilometres were acquired pursuant to new Russian legislation. The duration of both the Shumnaya and Kitepvaamskaya licences is seven years.

There are no royalties payable in respect of the Kupol mine. However, CMGC is subject to a mineral extraction tax at a rate of 6% for gold and 6.5% for silver, which is calculated as the average price per gram of gold and silver sales multiplied by the quantities of precious metals contained in the produced doré.

Dvoinoye

The Dvoinoye mine is located approximately 100 kilometres north of the Kupol operation within the remote, undeveloped, mountainous area of the Chukotka A.O.

The Dvoinoye site is isolated and can only be accessed by air (helicopter), by winter roads, or by an all-season road from Kupol. There is a network of winter roads that is passable between mid-December and mid-April. An all-season road connecting the Dvoinoye site and Kupol was completed in 2013. The road is a two-lane gravel road with a camp located at the approximate mid-point. The road includes a 110-metre long bridge across the Anui River. The road is used for the movement of ore to Kupol and for the transportation of crews and materials between Kupol and Dvoinoye. By air, the Dvoinoye site can be accessed by helicopter from Pevek airport (about 1.5 hours), from the Kupol mine (about 40 min), or Bilibino airport (about 45 min). Personnel access to the site is by air to the Kupol airport and then by vehicle to Dvoinoye.

The Dvoinoye exploration and mining licence, which covers an area of 5.76 square kilometres including mine operations and associated facilities, is located within the Vodorazdelnaya licence. The Vodorazdelnaya licence is a combined reconnaissance and mining claim. It was issued in 2008 and covers a total area of 916.4 square kilometres. The Dvoinoye subsoil licence was first issued in 2007 and was renewed in 2013. The licence is valid until January 1, 2023. Both the Dvoinoye and Vodorazdelnaya licences were acquired by Kinross in 2010 when it completed its acquisition of Northern Gold and Regionruda LLC, owners of the Dvoinoye licence and the Vodorazdelnaya licence, respectively. Due to the merger of Regionruda LLC with Northern Gold LLC in 2015, Northern Gold LLC is now the owner of both licences.

There are no royalties payable in respect of the Dvoinoye mine. Northern Gold LLC is subject to a mineral extraction tax at a rate of 6% for gold and 6.5% for silver, which is calculated as the average price per gram of gold and silver sales multiplied by the quantities of precious metals contained in the produced doré.

In February 2017, Northern Gold LLC became eligible for mineral extraction tax incentives, which reduce the extraction tax rate to 0% on ore extracted from the Dvoinoye deposit. Fees associated with the Dvoinoye subsoil licence, for the purpose of prospecting, exploration, and mining, are paid on a regular basis to the authorities. An environmental impact assessment was completed for the Dvoinoye mine in 2013.

History

Kupol

Quartz veins were originally located in the Kupol area in 1966 during a Soviet government 1:200,000 regional mapping program. The main Kupol deposit was discovered by the Bilibino-based, state-funded Anyusk Geological Expedition (the "Expedition") in 1995. Gold, silver, arsenic, and antimony anomalies were identified through a 1:200,000 stream sediment geochemical sampling program. During 1996 and 1997, the Expedition completed mapping, prospecting, magnetic and resistivity surveys, and lithogeochemical and soil surveys.

During 1998, two drillholes 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 drillholes 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 drillholes, 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 was located.

The original Kupol Licence was issued to Metall LLC on March 16, 1999. On October 4, 2002, this Kupol Licence was re-issued to CMGC, a newly established subsidiary of Metall. In December 2002, Bema

entered into an agreement to acquire up to a 75% interest in the property. Beginning in 2003, Bema conducted several years of exploration and development activities.

In 2008, mining in the open pit progressed mainly on the south side and north side of the pit. Open pit mining continued through 2009 and 2010 and the open pit was completed in 2011. The underground mine began producing ore in May 2007. Process facilities and other infrastructure construction continued throughout spring 2008. The mill was commissioned in May 2008 and first gold production occurred at that same time.

Dvoinoye

The Dvoinoye deposit was discovered in 1984 through a program of regional soil sampling, geophysical surveys, and geological mapping. The Dvoinoye site includes an inactive open pit mine which previously operated six months per year, with a throughput of approximately 250 tonnes per day. Open pit operations were initiated in 1996 by Northern Gold, which was originally a subsidiary of Anyusk. Operations continued under the ownership of the deposit by Millhouse Capital and were terminated before acquisition by Kinross.

On August 27, 2010, Kinross completed the acquisition of 100% of the participatory interests in Northern Gold and Regionruda. Prior to the acquisition, the Russian Federation Government approved of Kinross' 100% ownership of Dvoinoye as a strategic deposit. Kinross completed construction of a temporary camp in 2010 and submitted a five-year exploration program which was approved by government authorities. Exploration activities under the direction of Kinross started in late June 2010 and comprised primarily diamond drilling and validation of Northern Gold's previously completed analyses. A scoping study for Dvoinoye was completed by Hatch in January 2011, and mining of the decline started after regulatory approval of the exploration program. A feasibility study by Hatch was started in February 2011, and construction of site infrastructure facilities began in March 2011. The Hatch Feasibility Study was completed in March 2012.

Commercial production by Kinross began on October 1, 2013. All ore is processed at the Kupol mill.

Geological Setting, Mineralization, and Deposit Types

Kupol

The Kupol deposit is located in the 3,000 km long Cretaceous Okhotsk-Chukotka volcanogenic belt. This belt is interpreted to be an Andean volcanic arc type tectonic setting, with the Mesozoic Anui sedimentary fold belt in a back-arc setting to the northwest of the Kupol region. Russian 1:200,000 scale mapping indicates that the Kupol deposit area is centred within a 10 km wide caldera, along the northwestern margins of the 100 km wide Mechkerevskaya volcano-tectonic "depression", an Upper Cretaceous bimodal nested volcanic complex. The volcanic succession in the area is 1,300 metres thick and consists of a lower sequence of felsic tuffs and ignimbrites, a middle sequence of andesite to andesite-basalt flows and fragmentals capped by felsic tuffs and flows. These sequences are cut and discordantly overlain by basalts of reported Paleogene age. The volcanic rocks unconformably overlie and intrude folded Jurassic sediments.

The north-south oriented Sredniy-Kaiemraveem River valley to the south and the Stranichniya valley to the north are both inferred to reflect a major deep-seated regional structure. The Kupol structure is inferred to be a splay off this regional structure.

The property is underlain by shallow eastward dipping andesite lithic tuffs, feldspar-hornblende porphyry andesite, and andesite-basalt (trachytic andesite) flows. The andesitic volcanic units are intruded by massive to weakly banded rhyolite dykes, rhyolite and dacite flow-dome complexes, and basalt dykes. The main deposit strikes north-south and has been divided into six contiguous zones. From north to south these are North Extension, North, Central, Big Bend, South, and South Extension.

The Kupol deposit is considered to be an example of a low-sulphidation epithermal deposit. Low-sulphidation epithermal deposits are high-level hydrothermal systems, which vary in crustal depths from depths of about 1 km to surficial hot spring settings. Host rocks are extremely variable, ranging from volcanic rocks to sediments. Calc-alkaline andesitic compositions predominate as volcanic rock hosts, but deposits can also occur in areas with bimodal volcanism and extensive subaerial ashflow deposits. A third, less common association is with alkalic intrusive rocks and shoshonitic volcanics. Clastic and epiclastic sediments in intra-volcanic basins and structural depressions are the primary non-volcanic host rocks.

Mineralization in the near-surface environment takes place in hot spring systems or the slightly deeper underlying hydrothermal conduits. At greater crustal depth, mineralization can occur above, or peripheral to, porphyry (and possibly skarn) mineralization. Normal faults, margins of grabens, coarse clastic caldera moat-fill units, radial and ring dyke fracture sets, and hydrothermal and tectonic breccias can act as mineralized-fluid channelling structures. Through-going, branching, bifurcating, anastomosing and intersecting fracture systems are commonly mineralized. Mineralization forms where dilatational openings and cymoid loops develop, typically where the strike or dip of veins change. Hanging wall fractures in mineralized structures are particularly favourable for high-grade mineralization.

The mineralization typically includes pyrite, electrum, gold, silver, and argentite. Other minerals can include chalcopyrite, sphalerite, galena, tetrahedrite, and silver sulphosalt and/or selenide minerals. In alkalic host rocks, tellurides, roscoelite and fluorite may be abundant, with lesser molybdenite as an accessory mineral.

Dvoinoye

The Dvoinoye gold-silver deposit is located within the Okhotsk—Chukotka Volcanic Belt (OCVB), an Andean-type continental margin magmatic arc that extends southwest from the Chukotka Peninsula along the East Asian coastline. The OCVB has four distinct segments: two roughly northwest trending segments separated by a longer northeast trending zone and a shorter northeast zone at the far southwest end.

The OCVB is divided into six sectors based on basement lithologies and on compositional differences in the volcanic sequences. The central sectors of the belt are further divided into a plutonic-dominated interior zone and a volcanic-hypabyssal dominated exterior zone. The axial boundary corresponds to a gravity boundary (crustal thinning). Dvoinoye and the Kupol deposit located 98 km to the south are both located in the exterior zone, at the boundary of the Anadyr and Central Chukotka sectors.

Host rocks at Dvoinoye are Late Cretaceous intermediate-felsic volcanics of the Tytylveyem Suite, which is divided into three units. At Zone 37, the host rock is assigned to the lower unit of the Tytylveyem Suite. The main host rock here is porphyritic dacite lava, containing 20% to 30% phenocrysts (plagioclase, pyroxene and potassium feldspar), in a siliceous aphanitic matrix. Other components of the local geology include crosscutting pyritic hydrothermal breccias that may mainly affect the tuff units. Their distribution and geometry are unclear but at least part of the Zone 37 vein is hosted by narrow siliceous pyritic milled breccias that may be related to larger volume hydrothermal breccias.

The Dvoinoye veins are close to the northern margin of the Ilirney granitic massif. As a result, there is substantial development of dykes, sills, and plugs of generally granitic composition.

Dvoinoye is a low sulphidation epithermal gold-silver vein deposit. The principal vein at Dvoinoye strikes at 040° over a length of at least 800 metres. Ore zone width ranges from a few metres to more than 30 metres in the central shoot. The vein has been drilled over a vertical extent of about 350 metres (including sills). The vein system has a steep to subvertical dip to the southeast. There is evidence that at depth the vein system may shallow in dip, from subvertical to about 70°. There are two main thick quartz veins, within a variably, wide envelope of narrower veins and veinlets (stockwork zone). The central shoot represents a blowout in width where the shoot may have a pipe-like form. The bulk of the gold is in the central shoot. At depth and at the southwestern end, the mineralization forms a series of sub-parallel veins, rather than one or two wide veins. Late to post vein block faults probably disrupt vein continuity along strike, especially to the northeast where the fault-bounded granite intrusion is developed.

Mineralization is characterized by low total sulphide content, generally less than one percent, by variable but low gold: silver ratios (average 1:1), and by the presence of considerable free gold in parts of the deposit. The main ore minerals and related sulphides in the vein are native gold, freibergite, pyrite, chalcopyrite, galena, and sphalerite, with minor acanthite. Ore minerals are generally fine-grained. Gold occurs inter-grown with sulphides, free in quartz-illite aggregates, and in places as rare dendritic growth bands.

A wide variety of vein and mineralization textures are recognized, including massive vein, colloform-crustiform banded vein, breccia, and veinlet/stockwork zones. The vein mineralogy consists of quartz-chalcedony (80% to 90%), adularia (5% to 7%), carbonate (up to 5%), illite, and chlorite. The main vein displays a lateral and vertical zonation in mineralization and alteration assemblages, reflecting the evolution of the system spatially and over time. Four styles of gold mineralization have been identified: pink quartz gold; carbonate-base metal gold; chalcedony-ginguro gold-silver; and green quartz breccia.

Exploration

Kupol

Exploration in the Kupol area began in 1996 and has been continuous since that year. Exploration has primarily been undertaken by Bema or Kinross, or by contractors (e.g. airborne geophysical surveys).

An area of 8 km^2 around the Kupol deposit was surveyed in detail to create a 1:2,000 scale map with 2 metres contour spacing. A survey control net, laid out in local grid coordinates with a classified origin, is tied to the regional survey control points. Most control points were shot in 2000; additional survey control points were added in 2003. These points are used by exploration and engineering/construction for survey control. The topography map is constantly revised to reflect the actual topographic surface as defined by data such as topographic surveys, drill hole collar, and trench locations.

Geological and structural mapping have been completed at regional scale (1:50,000 scale), to prospect scale (1:4,000 and 1:5,000 scale) and, to detailed scale (1:50 scale). Map results were used to identify areas of quartz veining, silicification, and alteration in outcrop that warranted additional work.

Geochemical surveying at 1:10,000, covering 7.8 km^2, and completed over the Kupol vein area prior to 2003, defined the deposit area as a gold, silver, arsenic anomaly with locally anomalous areas of mercury, lead, zinc and antimony.

Magnetic and resistivity surveys were also completed over a similar area to that tested with geochemical surveying, with initial 100x20-metre grids followed by detailed 25x5-metre and 20x5-metre grids, respectively. Magnetic surveying was performed using a Geometries Proton G858 magnetometer. This work defined the deposit as an area of magnetic low response and higher apparent resistivity.

To expose the vein systems prior to generating drill targets, large areas of the Kupol vein were stripped, mapped, and channel sampled. Stripping comprised removal of surface debris, either manually, or by mechanical methods, and the resulting surfaces were pressure washed for maximum outcrop exposure. A total of 52 trenches (5,306 m) were excavated in the period 1998-2003 by Russian teams. In the same period, 97 channels were sampled (2,694 m).

During 2004, exposures were channel sampled along east-west lines at 5-10-metre spacing over an area of 4,680 square metres. Channels were cut using a diamond rock saw, and samples were chiselled from the cut and collected into plastic sample bags. The start and end of each sample were surveyed. A total of 87 channels were taken (699 m), and two trenches (226 m) were excavated. In 2005, a total of 18 trenches (1,872 m) were excavated, and 96 channel samples (1,813 m) were taken. Results were used to identify areas of grade and vein continuity and target drill holes.

During 2006, surface stripping of the Kupol vein outcrop was completed in the South zone. All veining that was feasibly accessible from the surface was at that stage stripped and channel sampled,

generally on a spacing of 5 metres between sample lines. The stripping extended to a southern limit of 90,300 N. A similar sampling methodology to 2004 was employed, and the start and end points of each channel were surveyed.

In June 2009, an aeromagnetic survey was performed by the Geological-Geophysical Company LLC of Moscow. The survey consisted of 3,140 linear km of towed bird total magnetic intensity measurements using an MI-8 helicopter with the sensor towed at a nominal 200 metres AGL. Line spacing was 100 metres with 1,000-metre tie lines. Preliminary results verified the major features seen in previous ground magnetic surveys, including the pronounced north-south magnetite destructive zone that hosts the Kupol deposit. Numerous, often multiple caldera structures are seen as well as several episodes of faulting.

Dvoinoye

The Dvoinoye area was identified through regional aeromagnetic, gravimetric, and geochemical exploration programs in the 1960s. Geochemical and geophysical surveys continued in the 1980s, and the Dvoinoye deposit was discovered in 1984 through soil sampling, geophysical surveys and geological mapping, and drilling programmes were conducted in the late 1980s and into the 1990s. Trench sampling was conducted on the open pit mining that began in 1996.

Detailed information on these historical exploration results is not available and Kinross has not relied on information from these early exploration programmes for resource estimation.

Drilling

Kupol

In 2012, underground definition drilling totalled 25,118 metres (N- and B-sized core). In 2010 and 2011, underground definition drilling totalled 28,430 metres and 30,116 metres, respectively (NQ- and BQ-sized core). Termite core drilling was conducted to test the limits of mineralization in the development headings and to optimize slashing operations and panel extraction, and 2,559.5 metres were drilled in 2012, 4,148 metres were drilled in 2011, and 3,200 metres were drilled in 2010.

In 2013, underground definition drilling totalled 22,538 metres (NQ- and BQ-sized core). The Termite core drilling totalled 641 metres.

In 2014, underground definition drilling totalled 23,426 metres (NQ- and BQ-sized core). The Termite core drill was replaced by an on-site Solo drill to test the limits of mineralization in the development headings and to optimize slashing operations and panel extraction, and 6,059 metres were drilled.

The underground definition drilling totalled 24,437 metres and 26,417 metres (NQ- and BQ-sized core) in 2015 and 2016 respectively. The average sample length was one metre. An additional 8,470 metres and 10,170 metres were drilled in 2015 and 2016 respectively with Sandvik Solo in order to define the horizontal extension of mineralization.

In 2017 a further 263 diamond drill holes, comprising 31,851 metres were drilled. This brings the total in-mine and resource development drilling programme to 4,955 drill holes, comprising 274,900 metres at Kupol up to the end of 2017.

In addition to operational drilling a further 190 exploration drill holes were completed during 2017, comprising 80,613 metres of diamond drilling. This brings the total exploration drilling programme to 2,071 drill holes, comprising 588,401 metres at Kupol up to the end of 2017.

Drill programs have been completed primarily by contract drill crews, supervised by geological staff on site.

Dvoinoye

In 2016, a total of 26 diamond drill holes were completed for 13,016 metres on the Dvoinoye Mining Licence at Zone 37. Drill campaigns on Zone 37 completed between 2000 and 2016 included 442 surface and underground core drill holes, totalling 121,403 metres.

In 2017 a further 815 drill holes, comprising 32,448 metres were drilled. This brings the total in-mine and resource development drilling programme to 2,783 drill holes, comprising 145,923 metres up to the end of 2017.

In addition to operational drilling a further 90 exploration drill holes were completed during 2017, comprising 23,434 metres of diamond drilling. This brings the total exploration drilling programme to 1,199 drill holes, comprising 274,150 metres up to the end of 2017.

Sampling, Analysis and Data Verification

Kupol

Drill core was delivered from the drills in covered wooden boxes to a logging and sampling facility. The core was two-thirds split using a diamond saw; the remaining third was returned to the core box as a permanent record.

The minimum sample length was 0.25 metres for HQ diameter core and 0.30 metres for NQ diameter core. The average sample length

is generally 1 metre. Mineralized zones were bracketed by a minimum of 1-3 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.

Sampling intervals were determined, marked up, and tagged by the geologists. The intervals were based on geology (lithology, mineralogy, texture, and structure). Sampling across contacts was only permitted if the vein width was less than the minimum sample width. The core was manually oriented to ensure that the core was consistently split and that there was no sample bias.

Samples containing visible gold or abundant sulphosalt mineralization were indicated by a white 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. Field duplicate samples were created by cutting the two-thirds split into two one-third sections; both samples were sent for analysis. Definition drill holes are whole-core sampled with no sawing or splitting.

Sampling always occurs from the footwall to the hanging wall. The geologist paints a level sample line on the face at 1 metre above the ground and the objective is to make the line disappear during sampling. This methodology approximates a 5x5 cm channel sample. Geologists break samples on the same criteria as the core sampling, and at the same maximum and minimum lengths.

Due to the remote location of the Kupol project and the difficulties with shipments of samples within and from Russia, a containerized field laboratory was set up at the Kupol site and was responsible for all assays between 2003 and 2008. The facility was set up and run as an independent laboratory that operated as a Russian certificated Anyusk Geological Expedition field laboratory (Kupol laboratory).

In 2008, the site analytical laboratory was moved to new premises within the Kupol mill building and has continued in use as the primary analytical laboratory for Kupol. The 2008-2009 bi-annual programs included an external check at an outside laboratory for samples by the geology department. Approximately 400 pulps were collected and shipped to an external laboratory in Magadan. All other sampling and assaying are done at the Kupol laboratory.

A program to determine the in-situ bulk density (specific gravity) of the major vein and nonvein rock types was conducted at the Kupol site during 2013-2014. Bulk density testing was conducted on 390

samples from the Kupol Mine and 618 samples from the Moroshka Project. Collected data confirmed the existing parameters with few minor deviations.

Laboratory preparation and analytical protocols have Russian translations and represent a compromise to meet or exceed Russian regulatory requirements and North American accepted practices.

All sample preparation and assaying were completed at the Kupol laboratory. The mine has established sample preparation and assay procedures for all sample types (drill core, RC, and termite core). Sample batch prefixes identify the sample type and a unique number identifies the sample batch. Sampling crews submit samples daily accompanied by an electronic submittal file. After initial assaying, the laboratory moves samples to temporary storage. Geology is responsible for long-term storage which consists of shipping containers. Once samples exceed the required retention time they are disposed of at the crusher stockpile on the low-grade stockpile.

Samples were received at the laboratory as follows: samples were delivered to the laboratory by the sampling technician accompanied by a submission form signed by the geologist and the sampling technician; the submission form and samples were checked for accuracy and completeness; the samples were logged into the laboratory system; a laboratory technician signed the submission form, made a copy of the submission form and returned the original to the sampling technician; and the samples were placed in a secure container prior to processing.

The sample preparation and assay procedure was as follows: all samples were dried in a locked, heated container, either within the sample bag or on a steel tray; dried samples were transferred to the sample preparation area; each sample was crushed in a jaw crusher to 95% of -10 mesh (<2 mm); the sample was pulverized to 90% passing -150 mesh (0.005 mm) in a LM2 bowl and puck pulverizer and split into four 250 gram samples; one pulp sample went for fire assay, one was kept as a laboratory reject, and two were retained as geology duplicates. All pulps are stored in locked containers.

For every twenty samples, one additional sample was split from both the crusher and pulverizer splits to ensure compliance with laboratory quality control specifications. All equipment was air-washed between samples. A blank silica sample was run as a cleaning medium every twenty samples, and after samples with visible gold or strong mineralization.

The accepted assay procedure for all Kupol samples is fire assay with a gravimetric finish. Exploration charges are 50 g with stated detection limits of 0.1 g/t Au and 0.5 g/t Ag. Production and definition sample charges are 25 g with stated detection limits of 0.5 g/t.

The Bema QA/QC program for the exploration drilling included the regular insertion of blanks, commercial reference standards, and field duplicates. The Kupol laboratory also inserted blanks, standards, pulp replicates, and reject duplicates. In addition, external pulp duplicates were sent to Assayers Canada (“Assayers”) in 2004 and 2005, and the vein samples with assays greater than 3.0 g/t Au at Assayers in 2004 were forwarded to ALS Chemex for the second round of external check assaying. The 2006 QA/QC work is not documented and no external check assaying was done in 2007. From 2008 onwards, Kupol has sent a few hundred samples each year for external check assaying.

Barren rhyolite rock, collected from a pit near the Kupol airport, is used for blank material. Blank insertions are made on a regular basis. Geologists try to position the blanks after high-grade samples to help monitor and control potential contamination problems that can arise during sample crushing and pulverizing. The blank failure rates have generally been very low.

Geologists collect field duplicates from each trench and from each face. The geologist may select any sample as the duplicate as long as it is coded as a vein. The duplicate is offset approximately 30 to 50 cm along the dip of the vein stratigraphy underground, and in the trenches, approximately 10 to 30 cm horizontally along strike. Field duplicates receive a pre-printed tag in the same number series as the other samples

and they remain blind to the laboratory.

All of the QA/QC data are monitored by the database manager and Kupol has well-defined rejection criteria. No data are uploaded to the final database until the database manager examines and accepts the associated QA/QC results. Kupol has developed a graphical monitoring system in Geobank that allows the database manager to rapidly extract data over any desired time period and view it on various types of graphs and control charts. The gravimetric fire assay detection limit for exploration samples (50 g aliquots) is 0.1 g/t for Au and 0.5 g/t for Ag. The blank failure threshold for gold is set at 2.5 times the detection limit, which is reasonable although slightly lower than the industry standard threshold of three times the detection limit.

Assays are stored in a Fusion database on site on the Kupol main server under password protection and are accessible only to the database administrator and the IT department. All data included in the resource estimation databases has been validated and is of sufficient quality to be appropriate for use in Mineral Resource estimations.

Each drill hole (or trench/channel) has its own hard-copy file folder and all documents pertaining to that drill hole are stored in that folder. The types of records stored include collar survey certificates, downhole survey slips, geological and geotechnical logs, point load and density test forms, assay certificates, shift reports, timesheets, and database reports.

All original documents are located at the Kupol site and in the Magadan office. Digital data are regularly backed up.

The resource database was reviewed and verified during site visits, a series of verification exercises during internal and external audits and a review of QA/QC results. In particular, detailed data verification was completed by Garagan (2005), who manually verified essentially all of the drillhole collar and survey records, and approximately 10% of the assays, from 2003 and 2004. A significant portion of the database has subsequently been verified by site personnel on a regular basis.

Dvoinoye

Sampling intervals were determined, marked up, and tagged by the geologists. The intervals were based on geology (lithology, mineralogy, texture, and structure). Sampling across contacts was only permitted if the vein width was less than the minimum sample width. The core was manually oriented to ensure that the core was consistently split and that there was no sample bias. The minimum sample length was approximately 0.2 metres. Most of the drill holes were HQ diameter core and some drill holes were NQ diameter core. Generally, the maximum sample length was one metre in mineralization and up to three metres in waste. Mineralized zones were bracketed by a minimum of 1-3 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. The whole core was sampled in the oldest drill holes and split at an undefined point in time using a hammer and chisel. The core has been split using a diamond saw since 2008. Freshwater is used as protection against re-circulation contamination. Specific gravity measurements have been taken from 673 samples from exploration drill core.

Due to the remote location of the project and the difficulties with shipments of samples within and from Russia, a mining laboratory was set up on the site at the old processing plant. The laboratory procedures and internal laboratory protocols were audited in 2008 by Micromine personnel and no significant issues were reported.

In May 2008, 120 samples were sent to Alex Stewart Group Laboratories (“Alex Stewart”) in Moscow for external check assays. The samples averaged 45.84 g/t Au at Alex Stewart versus 46.68 g/t Au at the mine laboratory, which is less than a 2% difference. Overall, the results indicate that the mine laboratory gold and silver assays were reliable and accurate with no significant biases evident.

Core samples up until mid-2010 were analyzed by fire assay at the Northern Gold assay laboratory located at the Dvoinoye mine site. Until June 2009, no blanks or standards were used in Northern Gold’s mine laboratory at Dvoinoye. The laboratory was certified in June 2009 and blanks and standards were subsequently used.

Most of the split core samples from the 2010 and 2011 drilling program were shipped in secure containers to the SGS Vostok Laboratory (“SGS”) in Chita Oblast, Russia. On October 9, 2008, SGS was accredited by the Russian Federal Agency on Technical Regulation and Metrology for gold and silver, among others, for assaying under International Standards Organization/International Electrotechnical Commission (ISO/IEC) Guideline 17025. A smaller proportion of samples were submitted to the Kupol mine laboratory owned and operated by Kinross. Kinross also used ALS Chemex (“ALS”) in Chita, accredited under ISO/IEC Guidelines 17025, for umpire laboratory monitoring of the reliability of assaying results delivered by SGS.

Beginning in late June 2010 when Kinross took control of work on the property, but before ownership changed hands, all samples were prepared and analyzed off-site. For the 2010 and 2011 drilling programs, Kinross relied partly on the internal analytical quality control measures implemented by both the SGS and Kupol laboratory. In addition, Kinross implemented external analytical quality control measures on all sampling consisting of using control samples in all sample batches submitted for assaying including field blanks, certified standards, and field duplicates.

In 2011, SRK recommended the use of blind coarse reject and blind pulp duplicate samples at the primary laboratory (SGS). At the request of Kinross, SRK randomly selected 5% of coarse reject material and another 5% of pulp duplicates. Samples were carefully re-numbered and re-bagged as necessary to conceal the identity of the original samples from the laboratory.

The overall quality control (QC) sample insertion rate averages 23.7%. In addition, approximately 10% of the 2010 samples and 5% of the 2011 samples sent to SGS were check assayed at ALS in Chita. Seventy-two samples assayed at Kupol in 2010 were also check assayed at

ALS.

In 2012 and 2013, most samples were sent to Kupol laboratory and fire assayed for gold and silver using similar methods to SGS. An on-site sample preparation facility was commissioned in 2014.

Exploration drill hole data are stored in a DataMine Fusion database. SRK conducted a series of routine verifications to ensure the reliability of the electronic data provided by Kinross. This included auditing the electronic data against original records in the form of Adobe PDF assay certificates. Approximately 10% of the assay data were audited for accuracy against assay certificates.

Mineral Processing and Metallurgical Testing

Kupol

For the 2005 Feasibility Study, the metallurgical sampling program consisted of 11 composite samples made from 27 samples from 2004 and 2005 drill core reject, and one trench bulk sample. These samples were submitted for the following tests: Canadian Centre for Mineral and Energy Technology ("CANMET") Enhanced Leach Process ("CELP"), Agitated Leach Vessel Testing ("ALV"), Acidification Volatization Recovery pilot test ("AVR"), ore characterization bottle rolls tests and AMEC clay studies. The AVR, ALV, and bottle roll testing were conducted at SGS Lakefield Research Ltd, the CELP studies at CANMET, Mineral Technology Branch, and the clay studies at AMEC Americas. The goal of the 2005 metallurgical sampling program was fourfold: 1) to provide preliminary metallurgical characterization of new zones of mineralization; 2) to obtain additional metallurgical characterization information in areas of inferred and indicated resources; 3) to provide samples for determination of the cost-benefit analyses of the application of the CELP process; and, 4) to provide samples for further clay speciation and thickening/filtration characterization.

The cyanide concentration for the economic optimum leach conditions was found to be silver grade dependent, with higher grade supporting higher cyanide leach concentrations. The economic optimum leach conditions were used to evaluate the metallurgical response of more than 50 ore variability samples composed of single and multiple hole composites from the core drilling program. Gold recoveries were mostly consistent across the zones in the Kupol deposit, but silver recovery was significantly more variable. Final recovery estimates based on the combined Phase I and II test results were 93.8% for gold and 78.8% for silver.

Dvoinoye

Metallurgical testing of the High Grade ("HG") and Low Grade ("LG") Dvoinoye ores and Kupol underground samples were carried out both at the Kupol laboratory and at SGS Chita. An HG composite sample, the Special High Grade ("SHG") sample, was sent directly to Kupol from the Dvoinoye site for gravity and leach testing as per the Kupol flow sheet. Further metallurgical testing was conducted at SGS Chita on HQ (63.5 mm diameter) drill core that was drilled between August and October of 2010. Exploration assaying and comminution, gravity recovery, leaching, and cyanide destruction metallurgical testing were performed by SGS Chita on the HQ core samples.

A grinding circuit survey, followed by JKSimMet modelling and simulation studies were completed under the direction of SGS Lakefield.

Gravity test work was also conducted on one HG and one LG Dvoinoye composite sample at the NTL TOMS group laboratory in Irkutsk with follow up modelling and simulations by Knelson in Langley, British Columbia. The HG and LG Dvoinoye composite samples were prepared by SGS Chita and then shipped to the NTL TOMS laboratory.

A thickener test program was conducted at the Kupol mine site by FLSmidth early in 2011. The testing was performed on the two Dvoinoye HG composites, an LG Dvoinoye composite, a Kupol underground sample and various blends of the Dvoinoye composites with the Kupol underground sample. FLSmidth also tested plant samples to evaluate the capacity of the Kupol process thickeners and for comparison with the other laboratory results.

Mineral Resource and Mineral Reserve Estimates

Refer to the "Kinross Mineral Reserves and Mineral Resources" section for quantity, grades, and category. Assumptions are outlined in the Notes — 2017 Kinross Mineral Reserve and Mineral Resource Statements in the "Kinross Mineral Reserves and Mineral Resources" section.

Mining Operations

Kupol

The Kupol deposit is mined by an underground mining method, long hole longitudinal retreat sub-level open stoping, also known as the Avoca method. Sills are driven on 15-metre (sublevel) spacing approximately 4.5 metres high. Longhole stopes (panels) are drilled using parallel or fan drill holes between the sublevels (approximately 11 metres). Backfill is an integral part of the production cycle of the mining method. Mining is expect to finish at Kupol in 2021.

Dvoinoye

Dvoinoye underground mining operations have used two different mining methods, transverse longhole stoping and longitudinal longhole stoping. Transverse longhole stoping has accounted for more than 90% of the historical production, but the remaining reserves will predominantly be extracted using longitudinal longhole stoping. Mining is expect to finish at Dvoinoye in 2020.

Processing and Recovery Operations

Kupol

The milling process consists of primary crushing and a SAG mill/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, and a cyanide destruction system is used to reduce cyanide concentrations to an acceptable level for disposal. The tailings flow by gravity through a pipeline to a conventional tailings

impoundment. Doré bars are shipped to the nonferrous metals plant in Krasnoyarsk. Average mill recovery, based on both Kupol and Dvoinoye ore, is 95% for gold and 85% for silver. The mill availability is 94%.

The mill is designed to process ore on a two shift per day, 365 days per year schedule, at a rate of approximately 4,500 tonnes per day or 1,642,500 tonnes per year. This capacity was achieved through modifications in 2013 to provide capacity for Dvoinoye ore as well as from Kupol.

The Kupol mill is expected to process stockpiled ore from Kupol and Dvoinoye until 2022.

Dvoinoye

All ore from Dvoinoye is transported and processed at the Kupol mill.

Infrastructure, Permitting and Compliance Activities

Kupol

The Kupol mine is served by a permanent modular camp with a capacity of more than 650 people. Camp components consist of overflow housing in tents adjacent to the main facility, camp security, medical clinic, kitchen and cafeteria, laundry, recreational, and meeting facilities. Power is provided by a primary diesel generation station with a capacity of approximately 25 MW, as well as a 3 MW auxiliary power station. Approximately 30,000 m^3 of diesel is transported from Pevek over the winter road and stored on site. Additional infrastructure includes a 1,800 metres long gravel airstrip and airport facilities, three ventilation portals with primary fans, shops for underground equipment located at each portal, tailings storage facility, offices, and freight storage and handling facilities at Pevek.

All permits required to operate under local, Provincial/State and Federal legislation are in place, and in good standing. The exploration program was fully permitted in accordance with Russian requirements. Additionally, permits have been received for exploration air and water usage, earthworks, site preparation, mill foundation, airstrip, explosive storage and usage, site roads and fuel tank construction. In September 2005 the State Commission on Mineral Resources, a branch of the Ministry of Natural Resources and Russian Federation Federal Agency of Subsoil Use, approved the Russian reserves for the Kupol deposit.

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, 2017, at approximately $61.3 million.

Dvoinoye

The Dvoinoye mine is served by a camp of lesser capacity (approximately 400 people) similar to Kupol. Camp components consist of administration offices, truck shop, assay laboratory, warehouse, explosives storage, satellite communications, fuel tank farm, water treatment and sewage plant, freshwater wells and reservoir, fixed and portable crushing plants, container laydowns, ore and backfill waste stockpiles and waste dump. Road systems connect all facilities and provide access to Kupol by way of the Pevek road.

All permits required to operate under local, Provincial/State and Federal legislation are in place, and in good standing. Permits have been received for exploration air and water usage, earthworks, site preparation, explosive storage and usage, site roads and fuel tank construction.

Kinross estimates the net present value of future cash outflows for site restoration costs at Dvoinoye under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $6.0 million.

Capital and Operating Costs

Kupol

Capital costs at Kupol consist of mine infrastructure and access development, as well as other sustaining capital, which includes mine equipment replacement and tailings facility expansions. Total estimated life of mine sustaining capital costs are approximately $54 million.

The sustaining capital cost estimate for Kupol is summarized in the table below.

Estimated Sustaining Capital for Life of Mine

Area		Sustaining Capital
Capitalized Development	(US$M)	26.61

Mine Mobile Equipment	(US$M)	15.41
Tailings Facilities	(US$M)	6.40
Site Infrastructure	(US$M)	3.85
Information Technology	(US$M)	0.35
Other	(US$M)	1.24
Total	(US$M)	**53.86**

Estimated Operating Costs for Life of Mine

Area	Unit	Cost
Mining	(US$/t mined)	47.01
Processing	(US$/t processed)	39.90
Site Admin	(US$/t processed)	58.82

Dvoinoye

Dvoinoye capital expenditures are estimated to total $21.6 million over the life of the mine. This includes $2.4 million of capitalized development along with $4.8 million and $14.4 million of additional sustaining and non-sustaining capital.

The sustaining capital cost estimate for Dvoinoye is summarized in the table below.

Estimated Sustaining Capital for Life of Mine

Area	Sustaining Capital (US$M)
Capitalized Development	2.4
Mine Mobile Equipment	4.7
Site Infrastructure	0.1
Total	**7.2**

Estimated Operating Costs for Life of Mine

Area	Unit	Cost
Mining	(US$/t mined)	35.25
Processing	(included in Kupol)	
Site Admin	(US$/t processed)	43.66

Exploration, Development, and Production

The 2017-2018 Kupol exploration program aims to test targets generated during the 2016 review in addition to those generated through follow-up work programmes in 2017. The goal is to extend the life of

the Kupol mine and processing plant. The exploration programme focusses on the development of near mine targets in addition to those further afield.

At Dvoinoye, the exploration program for 2017-2018 aims to test near mine and district targets generated during the 2016-2017 exploration programmes.

Tasiast, Mauritania



General

The Tasiast mine and the primary exploitation permit are owned by Tasiast Mauritanie Limited S.A. ("TMLSA"). An affiliate of TMLSA currently holds two exploitation permits whose underlying lands are contiguous to the Tasiast mining exploitation lands (collectively, the "Tasiast Lands"). The two exploitation permits were received in December 2014, as a result of the conversion of two exploration permits, and expire in December 2044. An exploration permit for Tasiast Sud (held by another affiliate of TMLSA) has recently expired but is subject to the conversion process. Prior to the expiry of this exploration permit in October 2017, a timely application was submitted to convert the exploration permit into an exploitation permit. The Company is awaiting a decision by the government on the conversion application. Conversion of the exploration permit is required to allow future exploitation of Tasiast Sud.

As part of the December 2014 conversion process of two exploration permits, Kinross has undertaken to transfer to the Government of Mauritania a 10% carried interest in Société d'Extraction du Nord de l'Inchiri S.A. ("SENISA"), the Kinross affiliate holding the two exploitation permits. Other than the 10% carried interest in SENISA that Kinross has undertaken to transfer to the Government of Mauritania, all permit-holding affiliates of Kinross, including TMLSA, are wholly-owned indirect subsidiaries of Kinross. Kinross acquired TMLSA, including the Tasiast operation and exploitation and exploration permits and lands, through its acquisition of Red Back Mining Inc. ("Red Back") in September 2010.

In March 2014, Kinross completed a feasibility study to expand the Tasiast operation to 38,000 tonnes per day. As a result of lower gold prices in 2015, Kinross suspended the expansion of the Tasiast operation to 38,000 tonnes per day and initiated a Tasiast optimization study to explore alternatives for Tasiast's growth potential in the current gold price environment. The Tasiast optimization study identified the possibility of a two-phased expansion. Kinross also initiated a feasibility study to assess the economic viability of this potential two-phased approach.

On March 30, 2016, the Kinross board of directors approved proceeding with the Phase One expansion, which is designed to increase the mill throughput from the current 8,000 tonnes per day to 12,000 tonnes per day by installing incremental crushing and grinding capacity to the existing CIL circuit. Phase One is expected to reach commercial production in the second quarter of 2018, with a total estimated capital expenditure of approximately $300 million. On September 18, 2017, Kinross announced that it was proceeding with Phase Two of the expansion. Phase Two is designed to increase the mill throughput from 12,000 tonnes per day to 30,000 tonnes per day with the installation of additional milling, leaching, thickening and refinery capacity.

Technical Report

Please see the Company's National Instrument 43-101 Technical Report dated March 30, 2016 in respect of Tasiast, prepared by John Sims, available at www.kinross.com and under the Company's profile on SEDAR (www.sedar.com). Detailed financial, production and operational information for the Tasiast mine is available in Kinross' MD&A for the year ended December 31, 2017.

Property Description, Location and Access

The Tasiast Lands are located in northwestern Mauritania, approximately 300 km north of the capital Nouakchott and 250 km southeast of the major city of Nouadhibou. The Tasiast Lands fall within the Inchiri and Dakhlet Nouadhibou Districts.

The Tasiast Lands are accessed from Nouakchott by using the paved Nouakchott to Nouadhibou highway for 370 km and then via 66 km of graded mine access road which is maintained by TMLSA. An airstrip at the mine site is used for light aircraft primarily travelling to and from Nouakchott. The principal ports of entry for goods and consumables are either Nouakchott or Nouadhibou. Materials are transported by road to the mine site. Routine access within the country is provided by an 11,000 km long road network, comprising approximately 3,000 km of paved highways and approximately 8,000 km of unpaved highways as well as numerous desert tracks. A paved 470 km long, two-lane highway runs between the cities of Nouakchott and Nouadhibou.

The Tasiast mine is owned and operated by TMLSA, a wholly owned subsidiary of Kinross, under exploitation Permit No. 229C2 ("PE No. 229"). The mining operations and infrastructure (as contemplated in the 43-101 Technical Report dated March 30, 2016) lie entirely within the lands subject to PE No. 229.

The mining operations and infrastructure are located entirely within the 312 km ^{2} Tasiast exploitation permit. PE No. 229 is located centrally within a surrounding permit block of four contiguous exploitation and exploration permits, totalling 1,952 km^2. All these permits are in good standing although the Tasiast Sud exploration permit has expired as it is currently under conversion process waiting to receive necessary government approvals. The Tasiast mine and the exploitation permit are owned by TMLSA.

The adjacent three permits, the underlying lands of which are contiguous to the Tasiast exploitation permit lands, are held by two sister companies of TMLSA. SENISA holds two converted mining permits (for the Tmeimichat and Imkebdene areas), Société d'Extraction de Tamaya S.A. ("SETSA") held the Tasiast Sud exploration permit and has applied to convert that permit into an exploitation permit.

Surface rights are granted along with PE No. 229, and applicable fees are paid annually, as determined by decree under the Mining Code. Surface rights for the permit are in good standing, and there are no competing mining rights in the area, except for three iron-ore exploration permits that overlap PE No. 229. These permits entitle their holders to do exploration work, as long they do not interfere with TMLSA's operations. TMLSA does not have any obligation to accommodate the holders of these permits.

The iron-ore exploration permit holders are not entitled to transform their overlapping exploration permits into exploitation permits on the overlapping area without TMLSA's prior written approval, and they are not entitled to any compensation from TMLSA.

Exploration permits grant exclusive exploration rights over a specific block (maximum of 1,000 square kilometres) and are granted for a three-year period, renewable twice for up to three years at each renewal. Exploitation permits are granted for 30 years, and are renewable for periods of 10 years each. A condition of each permit is that the holder is required to hire Mauritanian tradespersons to provide services, and to contract with national suppliers and businesses in preference to foreign service providers, where the national suppliers and businesses can offer at least the same terms, quality and pricing.

A royalty equal to 3% of the selling price of the product resulting from the final ore processing stage in Mauritania is payable to the Mauritanian government. This rate was established in the 1999 Mining Code and, subsequently, protected from the rate changes in the 2008 Mining Code (as amended) by means of the Tasiast Mining Convention. This 3% royalty rate is also expected to apply to any eventual production from SENISA. Tasiast is also subject to a 2% royalty payable to a subsidiary of Franco-Nevada Corporation on life of mine gold production in excess of 600,000 ounces. Production at Tasiast reached 600,000 ounces in July 2011, and the first royalty payment to Franco-Nevada was made in October 2011. This 2% royalty will also apply to any eventual production from SENISA from the first ounce produced.

History

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

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 project from Lundin Mining Corporation ("Lundin") in August 2007, following Lundin's acquisition of Rio Narcea.

Kinross acquired the Tasiast gold mine on September 17, 2010 through its acquisition of Red Back. As required by Mauritanian law, the operation is carried out by TMLSA, which is incorporated under the laws of Mauritania.

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, Mineralization and Deposit Types

The Tasiast Lands consist of three main Precambrian greenstone belts located in the western compartment of the Reguibat Shield. The Reguibat Shield consists of a series of west to east accreted, north-south trending Archaean and Lower Proterozoic metavolcano-sedimentary belts and domal basement gneiss complexes.

The Tasiast Lands are underlain by the Aouéouat greenstone belt, a north-south trending belt that is continuous along a 75 kilometre strike length on the Tasiast Lands and that may continue further to the north and south. The mine geology is characterized by a mafic to felsic

metavolcano-sedimentary succession that is overlain by an iron stone formation and epiclastic units. The rocks have undergone deformation, were metamorphosed to greenschist and lower amphibolite grades and were cut by volumetrically minor younger mafic dikes. Three main prospective trends are recognized at the property with all known deposits spatially

associated with the Tasiast trend. Other trends also contain gold occurrences but have been significantly underexplored relative to the Tasiast trend.

Known deposits are aligned along a north-trending corridor with a strike length greater than 10 kilometres, with the Piment deposits at the northern half of the mine area and West Branch deposits at the southern half. At West Branch, first-order structural controls on mineralization include several subparallel anastomosing faults and several generations of veins developed predominantly in altered mafic meta-igneous and metavolcanic units locally called the Greenschist Zone. Mineralization at Piment is principally controlled by several anastomosing faults developed within the hanging wall block of iron formation, felsic metavolcanic and epiclastic rocks. Vein zones are spatially associated with mineralization over horizontal widths of up to 20 metres.

Gold mineralization has been defined over a strike length of greater than 10 kilometres and to vertical depths of at least 740 metres. All of the significant mineralized bodies defined to date dip moderately (45º to 60º) to the east and have a south-southeasterly plunge. Most of the gold mineralization at West Branch is hosted in hydrothermally altered meta-igneous rocks (Greenschist zone) containing quartz-carbonate veins. The meta-igneous rocks are enveloped by felsic units known as felsites that occur on the footwall and hanging wall sides of the Greenschist zone. The Greenschist zone is characterized by consistently thick intervals of mineralization averaging 40 metres to 100 metres thick. Individual shoots are continuous over a strike length of at least 1,000 metres. Mineralogy within the Greenschist package is dominated by pyrrhotite, pyrite and native gold that occur as vein infill or alteration spots commonly in and around the foliation. Pyrrhotite and pyrite occur together in many places but in variable ratios. Zones of pyrite-only and pyrrhotite-only sulphide facies are rare.

Piment mineralization is largely hosted along fault splays and within the adjacent altered and veined iron formation and epiclastic units. Individual mineralized shoots are continuous over 300 metres and to vertical depths of at least 260 metres. The minerals associated with gold at Piment are pyrrhotite and pyrite.

The Tasiast deposits are hosted in Archaean volcanic-sedimentary sequences that have been deformed and metamorphosed to lower amphibolite peak metamorphic grade. Mineralization is both structurally and lithologically controlled, epigenetic in style and was coincident with early stages of post-peak metamorphic retrograde Greenschist P-T conditions.

The regional geological setting and deposit features at Tasiast are similar to other well-known Archaean cratons and greenstone belts that host major gold camps. Examples of analogue terranes of similar ages to the Aouéouat belt include the Kaapvaal craton in South Africa, the Pilbara craton in Australia and the Wyoming craton in the United States. The Aouéouat belt also shares some similarities with gold-rich Late Archaean terranes, such as the Yilgarn in Australia and the Abitibi in Canada.

Exploration

Exploration has been undertaken by TMLSA, its precursor companies (e.g. gold exploration by NLSD), or by contractors (e.g. geophysical surveys).

Numerous phases of geological and regolith mapping have been undertaken during the life of the project, and range from regional (1:150,000) to prospect (1:12,500) scale. Work was completed by the BRGM, SNIM, NLSD, Defiance Mining Corporation, Red Back and Kinross. Mapping was facilitated by good outcrop, RC drilling chips, high resolution satellite imagery and detailed airborne geophysical data. Results were used to identify areas of alteration, structural complexity, quartz-carbonate veining, and sulphide outcrop that warranted additional work.

Soil, grab and rock sampling were used to evaluate mineralization potential and generate drill targets. Approximately 47,700 surface samples, including mostly soil and rock chip, have been taken over the life of the project area. From 2011 to date, TMLSA expanded the extent of the historical surveys and collected an additional 12,800 soil samples for both gold and multi-element analyses, and approximately 5,000 rock chip samples. Surface sampling was used as a first-pass exploration tool to identify areas of geochemical anomalism; some of these anomalies remain to be studied further.

Ground and airborne magnetic surveys were completed by NLSD and Red Back and used to delineate intrusive rocks, banded iron-formations, fault structures, and sulphide-rich zones at depth. Red Back also completed an electromagnetic survey in 2008. TMLSA completed a detailed airborne magnetic and radiometric survey across the mining permit and exploration permits in 2011. A small ground induced polarization (IP) survey was also conducted across a portion of the West Branch deposit, with subsequent IP surveys completed on near mine and district targets in 2013. In 2013, TMLSA also completed a ground gravity survey across the mining permit and exploration permits.

Excavation of trenches as an exploration technique has been very successful and was extensively used during the NLSD phase of exploration, when 55 trenches (26,593 m) were excavated, and an additional 27 trenches (1,309 m) were hand-dug. Significant gold intersections in trenches typically overlay sub-surface zones of similar grade and width, as defined by subsequent drilling. TMLSA completed 18 trenches from 2011 to the end of 2013, for a total of 3,942 metres.

Drilling

The total number of drill holes completed on the project totals 16,813 holes (15,723 RC holes, 876 diamond core holes and 214 RC pre-collar with diamond tail holes) with an aggregate total of 1,763,821 metres. Drill holes from 1999 to 2013 used in the resource model include 3,890 RC (620,106 m) and 290 diamond core holes (89,735 m) and 163 RC pre-collar with diamond tails (118,068 m) with a total of approximately 827,909 metres.

Drill programs were completed primarily by contract drill crews, supervised by geological staff of the Project operator. Where programs are referred to by company name, that company was the Project manager at the time of drilling and was responsible for the collection of data.

During 1999 and 2000 NLSD completed 459 holes totalling 37,919 metres. Between March 2003 and October 2004, Defiance completed approximately 448 holes for 39,085 metres. Rio Narcea resumed drilling from 2006 to 2008, completing 147 holes for 16,966 metres. Red Back drilled August 10, 2007 until the completion of the acquisition in September 2010 and completed 6,132 RC holes for 504,407 metres and 132 core holes totalling 29,243 metres.

Since the acquisition of Tasiast by Kinross, TMLSA has completed 9,821 holes for 1,148,021 metres. In 2010, TMLSA drill campaigns completed 922 holes for 111,105 metres. In 2011, TMLSA drill campaigns completed 3,086 holes for 445,469 metres. In 2012, TMLSA drill campaigns completed 2,992 holes for 335,396 metres. In 2013, TMLSA drill campaigns completed 757 holes for 80,047 metres. In 2014, 861 holes for 58,584 metres were drilled across the Tasiast mineral licenses. In 2015, 990 holes were completed for 82,949 metres. In 2016, the number of holes drilled included 15 diamond drill holes for 2,242 metres and 198 RC holes for 22,229 metres. In 2017, holes drilled included 82 RC holes for 4,654 metres and 8 diamond drill holes for 1,912 metres.

Sampling, Analysis and Data Verification

Sampling of drill core and RC cuttings was done in accordance with standard industry practices. Samples from the exploration program at Tasiast have been analysed at both the onsite SGS Mineral Services (“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 gram fire assay with an AAS finish with a detection limit of 0.01 grams per ton.

In 2010 a total of 22,863 QA/QC samples including standards, blanks and duplicates were submitted routinely and blind to three different SGS laboratories, namely Kayes and Morila in Mali, and Tasiast in Mauritania. In 2011 a total of 34,130 QA/QC samples including standards, blank and field duplicates were submitted routinely and blind to five different labs. In 2012, a total of 42,706 QA/QC samples including standards, blanks and field duplicates were submitted routinely and blind to 12 labs. Additional crush and

pulverised duplicate samples were analysed at various labs. Subsequent to the assay report directly imported into the database, QA/QC charts were routinely generated and reviewed by on-site geologists to determine the jobs that passed, accepted or failed QA/QC control. In 2013, a total of 12,123 QA/QC samples including standards, blank and field duplicates were inserted routinely and blind to the laboratory. The samples were sent to numerous laboratories including: SGS Laboratory at Kayes and Tasiast, ALS Laboratory in Johannesburg, Kumasi, Nouakchott, Romania and Tasiast. Since July 2013 ALS Laboratory took over the facilities at the Tasiast mine, and operated the laboratory. Since then, exploration samples are prepared and analysed at site by ALS Laboratory.

An independent consultant provided a QA/QC report throughout 2013 following a review of the sampling process, laboratory visits and review of the QA/QC data. The available data indicated that the analytical accuracy of the assaying for the exploration program is within the industry accepted standards.

Closely following Red Back’s acquisition of the project in August 2007, the on-site SGS 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, SGS Kayes and Morila, 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 collected are under direct supervision of project staff of the operator at the time, up to the moment they are delivered to laboratory staff or placed on contracted trucks for delivery to the Mali laboratory. Samples, including duplicates, blanks and certified reference materials are delivered daily from the drill rig to a secure storage area within the fenced 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.

Since July 2013 when ALS Laboratory took over the facilities at the Tasiast mine, exploration samples are prepared and analysed at site by ALS Laboratory.

Mineral Processing and Metallurgical Testing

The Tasiast mineralization is free-milling and amenable to gold extraction by simple cyanide leaching. The existing mill has been operating since 2008 initially treating oxide banded iron mineralization hosted ore yielding a typical gold recovery of 93%. Gold recovery from fresh ore, which forms an increasing portion of the mill feed since 2010, varies between 91% and 93%. A proportion of the gold is coarse and responds well to gravity concentration. Gold mineralization is associated with structurally controlled faults and shears, quartz-veining and silica-flooding. Gold grains observed in the exploration core holes are seen in isolated grains in quartz veins and are closely associated with pyrrhotite. The mineralization has relatively low levels of sulphides of approximately 1% to 5%, predominantly represented by pyrrhotite and to lesser extents pyrite, arsenopyrite, and chalcopyrite. Other metal contents are low such as silver approximately 1 ppm to 2 ppm, copper approximately 100 ppm, arsenic approximately 10 ppm and very low levels of mercury, less than 0.3 ppm Hg.

The bulk of the metallurgical test work has been done to evaluate the optimum process for the West Branch ore which has become the

major source to the processing plant. Major metallurgical sampling campaigns were conducted on the West branch mineralized zone and test work to optimize cyanide addition rate and grinding tests were completed.

Extensive metallurgical testing was completed on West Branch samples, twinned hole samples and deeper level variability samples. In general, test work indicated that the ore was amenable to gravity recovery and cyanide leaching, resulting in selection of a flow sheet similar to that of the existing plant.

Mineral Resource and Mineral Reserve Estimates

Refer to the “Kinross Mineral Reserves and Mineral Resources” section for quantity, grades and category. Assumptions are outlined in the Notes — 2017 Kinross Mineral Reserve and Mineral Resource Statements in the “Kinross Mineral Reserves and Mineral Resources” section.

Mining Operations

Ore and waste rock is currently mined by conventional open pit methods from two pits (West Branch and Prolongation East). Prior mining has taken place in West Branch, Piment and several other completed pits at Tasiast. Since Kinross acquired the property in late 2010, a total of approximately 458 million tonnes of material have been mined from various pits, including 51 million tonnes in 2011, 78 million tonnes in 2012, 82 million tonnes in 2013, 55 million tonnes in 2014, 63 million tonnes in 2015, 54 million tonnes in 2016 and 75 million tonnes in 2017. Drilling and blasting is performed with regards to wall control and fragmentation using the same methods in both ore and waste material. The excavation fleet on site is made up of five Caterpillar 6060 hydraulic shovels, two RH340B Bucyrus hydraulic excavators and six Komatsu PC1250 hydraulic excavators. The truck fleet is made up of 42 Caterpillar 793D 220 t haul trucks (with 6 more to be commissioned in Q1 of 2018) and 7 Komatsu 785 90 t haul trucks. The larger shovel and haul truck pairing (CAT6060/RH340 and CAT793) is used at West Branch and Prolongation, while the smaller shovels and trucks combination (PC1250 and KOM785) is used primarily for wall and drill pattern cleanup activities. The introduction of larger mining equipment has shifted the mining strategy from a highly selective mining practice to a combination of both bulk and selective mining.

The current conventional open pit truck and shovel mining method will continue to be used. Varied blasting techniques, such as presplit and buffer holes, are employed to protect the pit slopes. Blasted material will be routed based on the application of cut-off grades. Cut-offs are initially based on the net block value at the pit optimization stage and later on the gold grades during scheduling. Applying cut-off controls ensures that the highest-value materials are routed to the CIL process, while lower-grade materials are routed to the stockpiles or, if appropriate, to the dump leach. Materials below the cut-off threshold are sent to the waste destinations.

The current configuration of the existing shovel and haul truck fleets will be used for the duration of mining and no replacement of this equipment is anticipated for the remainder of the life of mine. Equipment life has been projected from actual operating hours, with estimates of future usage based on the mine plan.

Waste rock is used for haul road and tailings dam construction as needed. The road network currently in place is well developed, but will require continued maintenance. Additional roads will also be required throughout the life of mine. When not needed for infrastructure purposes, waste material is disposed of in constructed waste rock dumps situated at least 100 metres radially away from the final crest of an open pit and outside the zone where there is potential for dilation, cracking and subsidence related to the pit walls. Mining is expect to finish at Tasiast in 2029.

Processing and Recovery Operations

Kinross is expected to transition from the existing Tasiast 8 kt/d CIL plant through the start-up of Phase One, 12 kt/d process plant optimization front end, finishing with the Phase Two, 30 kt/d full facility, upon completion of construction, which is planned for Q1 2020. The 30 kt/d plant would be in the same area and would incorporate the 12 kt/d plant.

In Phase One, a new front end gyratory crusher and a 40ft x 25ft, 26.5 MW Gearless Mill Drive (GMD) SAG mill will be incorporated with additional leaching capacity to the existing 8 kt/d plant to increase capacity to 12 kt/d.

Phase Two is expected to consist of the addition of: a 27 ft x 46 ft, 20.5 MW GMD ball mill, larger pebble crusher, pre-leach and tailings thickeners, leach tanks, CIL tanks, gravity circuit consisting of

centrifugal concentrators and intensive leach cyanidation, elution circuit, gold room, cyanide destruction system, and reagent mixing storage and distribution. Phase Two is expected to include the necessary upgrades to consumable storage and utilities to facilitate full operation.

Infrastructure, Permitting and Compliance Activities

Raw water for the Tasiast site is obtained from a water supply bore field, which is located 50 km west of the mine, and draws from a brackish aquifer using a system of 31 wells. Individual well yields range from 200 to 1,000 cubic metres per day (m^3/d) as determined during pump testing completed in 2017. Individual wells within three separate well areas are combined in a manifold for each area and to feed three different systems. Each of these systems has a pumping station located at a facility referred to as Sondage, with subsequent booster stations downstream. In total, the existing bore field and pipelines are capable of supplying up to 24,000 m3/d of raw water to the site based on the availability of the pipelines and pumps.

Electric power is provided by the following installed equipment: the Phase One plant consists of eight LFO high-speed generator sets and three HFO medium-speed generator sets; the Phase 1B plant consists of four HFO fired (with LFO back-up) medium speed generator sets; and the TTV plant consists of seven LFO high-speed generator sets.

Waste from plant and equipment maintenance, construction, offices, kitchens and accommodation is recycled or handled in an on-site landfill. Sewage is disposed of through septic tanks fitted with soak away overflow systems. Currently there are septic tank systems at the mine camp and at the mine offices. Tanks are emptied automatically into a pumped system that delivers the effluent to a sewage treatment plant for processing. The waste water treatment plant was commissioned in 2012 and is treating 100% of camp waste water. Treated effluent is dried and disposed in onsite incinerators.

All necessary exploitation permits for Phase One and Phase Two have been granted by the relevant Mauritanian authorities. A Phase 3 EIA for “off-site” sea water supply was approved following submission of a Phase 3 addendum. A subsequent EIA was approved to allow receipt of pre-assembled equipment at a beach landing and transportation to site. In addition, following discussion with the Government, an addendum to the Phase Two EIA was submitted and approved that described the project optimization through incremental increases in production and relocation of certain infrastructure. This addendum was approved by the Ministry of Environment in February 2016 and subsequent approval by the Ministry of Mines was received in April 2016.

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, 2017, at approximately $10.9 million.

Capital and Operating Costs

The capital cost estimate for Phase One and Phase Two are summarized in the tables below.

Capital Cost Estimate for Phase One

Area		Capital Cost
Total direct cost[1]	(US$M)	174
Indirects	(US$M)	48
Owner’s cost	(US$M)	13
Contingency	(US$M)	44
Taxes and duties	(US$M)	21
Total	(US$M)	**300**

(1) Excludes the cost of a previously purchased SAG mill.

Capital Cost Estimate for Phase Two Initial Plant and Infrastructure Cost

Initial plant and infrastructure capital costs for the additional 18,000 t/d expansion are forecast to be $590 million, which is lower than the pre-feasibility estimate of $620 million.

Area		Capital Cost
Processing plant	(US$M)	137
Power plant	(US$M)	76
Water supply	(US$M)	50
Mining Fleet	(US$M)	49
EPCM	(US$M)	27
Indirect, owner’s cost and taxes	(US$M)	120
Contingency	(US$M)	79
Miscellaneous	(US$M)	52
Total	(US$M)	**590**

The combined Phase One and Phase Two non-sustaining capitalized stripping is expected to be $370 million from 2018 through the first half of 2020.

Operating Cost Estimates for Phase One

Operating Cost	Unit	Phase One in operation 2018-2019[1]
Mining (incl. stripping)	US$/t mined[2]	1.98
Processing (Mill)	US$/t processed	18.59
Site Admin	million US$/a	61
Other	US$/oz sold	70

(1) Includes 6-month Phase Two ramp-up.
(2) Excludes capitalized maintenance.

Estimated Economics for Phase Two

Phase Two is expected to increase mill capacity to 30,000 tonnes per day (t/d) to produce an average of approximately 812,000 gold ounces (Au oz.) per year for the first five years, at an average production cost of sales of $440 per Au oz. and all-in sustaining cost of $655 per Au oz. Commercial production is expected to begin in Q3 2020.

Metric	Combined Phase One and Phase Two estimates
Throughput capacity (t/d)	30,000
Average annual production (Au oz.) (2020-2024)	812,000
All-in sustaining cost (per oz.) (2020-2024)	$655
Production costs of sales (per oz.) (2020-2024)	$440
Net present value (NPV) (billion)	$1.43
Metric	Phase Two standalone
Initial capital expenditures (million)	$590
Initial rate of return (IRR)	24%

The completed Phase Two feasibility study reaffirms the previous pre-feasibility study results and has factored in recent improvements at Tasiast — including productivity improvements, lower input prices and increased throughput at the existing mill — to increase confidence in the feasibility study assumptions, lower execution risk, and generate a robust internal rate of return.

Based on an assumed gold price of $1,200/oz. and oil price of $55/bbl, the Phase Two expansion has an estimated incremental IRR of 24%, and the combined two-phased expansion has an NPV of $1.43 billion (after tax and unlevered, from January 1, 2018 forward).

Exploration, Development and Production

During the early part of 2016, an auger drilling program was initiated to drill through sand cover at Tasiast Sud. The drilling identified Sadraya, a new mineralized zone approximately 3 km south of the Tamaya deposit and along the same mineralization and structural corridor. Sadraya has only been tested up to approximately 50 metres below surface and is open along strike (north and south) and down dip and the program going forward is to test this together with four other prospects within a 3 km radius to test for potential oxide material that could potentially be added to the Tamaya Mineral Resource to create a satellite heap leach processing facility at Tasiast Sud.

A potential high grade shoot located beneath the Piment orebody was identified during the 2015 exploration program. Drilling during 2016 identified a mineralized open plunge shoot that would be tested in 2017 to investigate if there could be a continuous high grade (>7g/t) that could be further infilled to identify any potential resources.

Other Kinross Properties

Fort Knox and Area, Alaska, United States

The Fort Knox mine is owned and operated by Kinross' wholly-owned subsidiary Fairbanks Gold Mining Inc. ("FGMI"). The Fort Knox property is located in Fairbanks North Star Borough, Alaska and includes the main Fort Knox open pit mine, mill, tailings storage facility, heap leach facility, the Gilmore property, the Gil project, and the True North open pit mine (which is under post-closure monitoring). Detailed financial production and operational information for the Fort Knox mine is available in Kinross' MD&A for the year ended December 31, 2017.

Fort Knox is located 42 kilometres by road northeast of the city of Fairbanks, Alaska. The Fort Knox property includes the main Fort Knox open pit mine, mill, tailings storage facility, heap leach, the Gilmore property, the Gil property, and the True North open pit, and encompasses 31,204 hectares. FGMI controls a large and diverse group of properties that comprise its mineral holdings in the Fairbanks Mining District. These properties include State of Alaska mining claims, patented and unpatented federal lode and placer mining claims, and private land. Some of the claims are owned outright, while others are controlled through leases. Mineral reserves at the Fort Knox mine are situated on 505 hectares of land that are covered by a State of Alaska Millsite Lease and the Fort Knox Upland Mining Lease.

The State of Alaska Upland Lease carries a 3% production royalty, based on net income and recovery of initial capital investment. Mineral production from State mining claims is subject to a mine license tax, following a three-year grace period after production commences. There has been no production from State claims situated outside the boundaries of the Upland Lease at the Fort Knox Mine. Fort Knox royalties and production taxes are estimated to be approximately $3.5 million for 2018, based on a gold selling price of $1,200 per ounce.

All requisite permits have been obtained for mining of the existing Fort Knox open pit mine and are in good standing in all material respects. Current expansion projects for waste rock and heap leach were approved by the applicable agencies in 2017.

Mining at the True North open pit is complete. Reclamation was substantially completed in 2012 and it is now under post-closure maintenance and monitoring.

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.

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 IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $104.1 million.

Kinross' mining and exploration properties are located within the Fairbanks mining district, which is located within the northwestern part of the Yukon—Tanana terrane. 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.

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 and has a daily capacity of between 33,000 and 45,000 tonnes. Lower grade ore is processed on a dedicated leach pad that was commissioned in 2009.

The Fort Knox heap leach facility is located in the upper end of the Walter Creek drainage, immediately upstream of the tailings storage facility. Construction began in 2008 and is separated into a total of seven stages covering approximately 196 hectares with a total capacity of 278 million tonnes. The first stage of the heap leach facility went into operation in the fall of 2009. The facility includes a valley fill leach pad and two carbon-in-column ("CIC") plants with a capacity of 61,000 litres per minute. Run of mine ore is hauled from the pit and from existing stockpiles and loaded onto the leach pad in 15 metre lifts. Leach solution flows through the loaded ore into a 416 million litre in-heap storage reservoir. The pregnant solution is pumped to the CIC plants located adjacent to the existing mill. After the pregnant solution has been processed through the CIC plants, barren solution is pumped back to the heap leach to recirculate.

The final year for ore processed through the Fort Knox mill is currently expected to be 2020. After mill closure, all of the run-of-mine ore and ore stockpiles will be stacked on the Walter Creek Heap Leach. Fort Knox pit production is expected to continue through 2021. Capital expenditures for 2017 at the Fort Knox operations were $102.1 million.

On December 12, 2017, Kinross announced that it had gained mineral rights to a 287-hectare (709-acre) parcel of land known as Gilmore located immediately west of its Fort Knox mine in Alaska. Kinross also announced that it had commenced a Gilmore feasibility study to analyze a layback of the current Fort Knox pit to access known mineralization on Fort Knox and Gilmore land to potentially extend mine life.

Fort Knox continues to evaluate the potential to expand the existing operation within the available land package through exploration evaluation of projected gold mineralization.

Round Mountain, Nye County, Nevada, United States

The Round Mountain mine is owned and operated by Kinross' wholly-owned subsidiary, Round Mountain Gold Corporation. On January 11, 2016, Kinross acquired the remaining 50% interest from two affiliates of Barrick Gold Corporation ("Barrick"). Prior to this acquisition, Kinross owned an undivided 50% interest in the joint venture common operation known as the Smoky Valley Common Operation ("SVCO"). Kinross acquired its initial interest in Round Mountain in January 2003. Detailed financial, production and operations information for Round Mountain is available in Kinross' MD&A for the year ended December 31, 2017.

The Round Mountain mine is located approximately 90 kilometres north of Tonopah in Nye County, Nevada. The Company controls the mineral and surface rights covering approximately 22,907 hectares through ownership or lease of patented and unpatented mining claims.

Mine production at the Round Mountain pit is subject to a net smelter return royalty, ranging from 3.53% at gold prices of $320 per ounce to 6.35% at gold prices of $440 or more per ounce. The 2017 royalty expense was $37.6 million. Round Mountain is also currently subject to the state of Nevada Net Proceeds Tax at a 5% rate payable on gross proceeds from the sale of minerals (adjusted for certain allowable deductions). The 2017 Net Proceeds Tax was $10.6 million. This amount remains subject to state regulations. The incremental production from Phase W will be subject to a variable net smelter return royalty ranging from 4% (at a gold price of $1,200 per ounce) up to 7.15% (at a gold price of $1,400 per ounce).

The first gold production from the Round Mountain district occurred in 1906. The original SVCO was formed in 1975 to operate the mine and commercial production commenced in 1977. The site has produced approximately 14.70 million ounces of gold since inception. A total of 535,974 ounces was produced prior to the SVCO partnership. A series of ownership changes occurred which eventually led to the 50-50 ownership by Barrick and Kinross that was in place until the acquisition that closed in early 2016.

The Round Mountain mine currently operates a conventional open pit that is approximately 10,700 feet long in the north-west, south-east direction and 8,800 feet wide. The operation uses conventional open-pit mining methods and recovers gold using three independent processing operations. These include crushed ore heap leaching (reusable pad), run-of-mine ore heap leaching (dedicated pad) and gravity/flotation plant. Lower grade oxidized ores are placed on dedicated pad which is typically leached for 120 days, while the higher grade oxidized ores are crushed and placed on the reusable pad leached for 60 days and then relocated to the dedicated pad.

Kinross estimates the net present value of future cash outflows for site restoration costs at Round Mountain under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $123.8 million.

The Gold Hill mine is a small deposit located near the Round Mountain mine. Gold Hill is approximately 3,000 feet long in the east-west

direction and up to 2,600 feet in the north-south direction. The mine is operated as an independent operation also using conventional open-pit mining methods. The ore consists of oxide material that is placed directly on a dedicated heap leach pad. Gold Hill is currently expected to end in 2019. Exploration around the mine area will continue looking for targets to the west and south of the current Round Mountain deposit.

In September 2017, Kinross announced its intention to proceed with the Phase W expansion to the Round Mountain mine, which is expected to extend mining by five years (to 2025) and increase life of mine production by approximately 1.5 million ounces. Stripping, initial construction and site preparation activities commenced ahead of schedule in late 2017 after the receipt of the Decision Record and other approvals from the U.S. Bureau of Land Management. The construction management team for Phase W has been mobilized to site and earthworks have begun in the project area. Detailed engineering is progressing on schedule, with heap leach engineering complete and mine infrastructure and processing facility engineering approximately 50% complete. Procurement activities are underway for critical long lead items and tracking according to plan. State permitting is proceeding as planned, with all major permits now received.

Bald Mountain, White Pine County, Nevada, United States

The Bald Mountain mine is owned and operated by Kinross' wholly-owned subsidiary KG Mining (Bald Mountain) Inc. ("KGBMI"). On November 12, 2015, Kinross announced that it had entered into a definitive asset purchase agreement to acquire 100% of the Bald Mountain mine and an associated land package from an affiliate of Barrick, and acquired its interest on January 11, 2016.

The Bald Mountain mining district is located at the southern end of the Ruby Mountains in east-central Nevada, White Pine County, at the southeastern end of the Carlin Gold Trend.

Pursuant to the terms of the acquisition, Barrick obtained a right to receive a 2% net smelter return royalty on future gold production from Kinross' 100% owned Bald Mountain lands following the post-closing production of 10 million ounces from such lands. In addition, portions of the Bald Mountain lands are subject to royalty agreements with third parties. Nine royalty areas exist with several areas subject to more than one royalty. Some of these royalty areas affect current as well as future production from the Bald Mountain lands, depending upon the actual mining location. Both fixed and sliding scale royalties exist. At prices above $1,000 gold, all of the sliding scale royalty agreements have topped-out. Royalties range from one percent of gross sales to as high as nine percent of gross sales. In addition, Bald Mountain is subject to the state of Nevada Net Proceeds Tax at a 5% rate, whereby gross proceeds from the sale of minerals will be adjusted for certain allowable deductions.

Placer gold (with minor copper, silver, and antimony) was initially mined in the Bald Mountain area from the 1870s to 1890s. Modern exploration for bulk disseminated gold deposits commenced in the late 1970s. Since 1977, gold exploration has mainly focused on defining the outcropping, oxide gold deposits. In 1981, Amselco Minerals began modern open pit mining and cyanide gold recovery via a mill in the Alligator Ridge-Vantage area in the southern portion of the district. Numerous small ore bodies were mined and heap leached by USMX Inc. from 1988 to 1993 in the southern and eastern areas of the district. Placer Dome Inc. mined several pits in the northwest area from 1983 to 2005. Placer Dome Inc. acquired the USMX properties in 1993 and consolidated the district into one claim block. Barrick acquired Placer Dome in January 2006 to become 100% owner and operator of Bald Mountain, until the recent acquisition by KGBMI. Both the North and South areas are 100% Kinross-owned.

The Bald Mountain operation is an open pit mining operation with production from a number of different pits. The three main deposits are represent more than 77% of the known reserves. Bald Mountain includes several deposits scattered over the property, and two run of mine ("ROM") leach pads (Bald Mountain and Mooney).

Bald Mountain recovers gold using multiple ROM heap leach pads. Gold is extracted from the ore with a cyanide solution and collected on activated carbon in CIC plants. Loaded carbon is shipped off-site for further processing and ultimate gold refining. The mining recovery is high because the ore blocks are large compared to the selective mining unit, and close to all of the material outlined as ore in the grade control process is mined. Selectivity of the ore mining is minimal due to the low cut-off grade and the fact that the grade control outlines large blocks of ore-grade material for mining. Whenever possible, ore blocks are oriented square to the dig direction — minimizing ore loss and dilution.

Based on the 2017 mineral reserves, Bald Mountain is expected to continue production up to 2023. Kinross estimates the net present value of future cash outflows for site restoration costs at Bald Mountain under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $71.0 million.

Kinross has allocated approximately $10 million to continued exploration efforts at Bald Mountain in 2018. Exploration remains focused on resource addition drill targets proximal to its current operations, as well as target delineation and early stage drill testing of other high potential targets within the North and South operation areas, wholly-owned by the Company.

Approximately 40% of the Bald Mountain land package in the less-explored ground located between the 100% Kinross-owned North and South mine operations areas is subject to a 50-50 exploration joint venture partnership between Kinross and Barrick. Kinross operates the joint venture, and in 2017, completed early stage drill testing, soil and rock sampling, geophysical surveys, and target delineation work, resulting in the identification of several new drill targets.

La Coipa, Chile

Kinross acquired its initial 50% interest in the La Coipa mine in January 2003. Following the completion of an asset swap transaction with Goldcorp on December 21, 2007, Kinross acquired the remaining 50% interest previously owned by Goldcorp. The mine and plant suspended activities in October 2013, while evaluation of several nearby mineralized zones is pursued.

The La Coipa mine, located approximately 1,000 kilometres north of Santiago in Chile's Region 3 (Atacama), consists of five deposits (notable deposits being Ladera-Farellon, Coipa Norte, Brecha Norte, Can Can, and Puren), which are owned by Compania Minera Mantos de Oro ("MDO"), a Chilean subsidiary of Kinross, except for Puren which is owned through a joint venture between MDO and Codelco-Chile, with participation interests of 65% and 35%, respectively. Pursuant to a transaction completed on March 19, 2018, MDO now holds a 100%

ownership interest in the Phase 7 deposit.

The La Coipa mine consists of approximately 26,113 hectares of exploitation concessions (including Puren, which consists of approximately 4,423 hectares). In addition, and as described above, Kinross currently holds a 100% interest in the Phase 7 deposit which includes claims covering approximately 10,085 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, a mining tax is applicable, the specific applicable tax rate being based on a progressive scale that ranges from 0.5% to 4.5% 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 1989 and has completed 681,287 metres of drilling since then, consisting of 2,212 reverse circulation holes and 775 diamond drill holes by the end of 2016.

The La Coipa mine received an ISO 14001 certification in July 2002. The last recertification was made in 2013. In 2012, La Coipa received a certification of full compliance under the Cyanide Code.

Although MDO suspended operations at the La Coipa mine in the fourth quarter of 2013, in accordance with the mine's permit MDO continued its water treatment program ("WTP") to remediate levels of mercury in the ground water due to seepage from its tailing facility. La Coipa's WTP, related facilities and monitoring program, including downstream monitoring wells, have been in place since 2000. The mine's groundwater treatment permit establishes an environmental standard of compliance for mercury of less than 1 part per billion. The La Coipa mine has four monitor wells at or near its downstream property boundary, at which there has never been an exceedance of the permitted standard.

In 2015, Chile's Superintendencia del Medio Ambiente ("SMA"), a national environmental agency, conducted an inspection of the WTP and monitoring wells and requested various information regarding those facilities and their performance, with which MDO fully cooperated. On March 16, 2016, the SMA issued a resolution alleging violations under La Coipa's water treatment permit. The resolution specified a total of seven charges, alleging permit violations at the WTP and/or failure to properly permit certain related activities, including capturing water at an undesignated reservoir, deficiencies in the mercury capture system, deficiencies in the monitoring system, and four WTP effluent samples from 2013 above the permitted standard and various monitoring well samples taken in 2013 and 2014. On April 15, 2016, MDO submitted a compliance plan to remediate the alleged permit violations which, following further submissions to the SMA, was ultimately accepted on July 7, 2016. As a result, the sanctioning process has been suspended without any fine or other penalty to MDO provided the plan is implemented and maintained per its terms. Failure to comply with the plan will re-initiate the sanction process and could result in doubled fines of up to $7.7 million per alleged minor violation (5 in total) and $15.4 million per alleged serious violation (2 in total).

Execution of compliance plan activities has been consistent with the plan and is expected to be finalized by the fourth quarter of 2018.

Current activities undertaken at La Coipa are the operation of the water remediation plant, permitting and optimization projects to potentially re-open La Coipa and exploration for new mineral deposits.

Kinross estimates the net present value of future cash outflows for site restoration costs at La Coipa under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $173.3 million.

In 2017, approximately 844,000 ounces of gold and 34 million ounces of silver at Phase 7 and Puren, which comprise the La Coipa Restart project, was converted to estimated mineral reserves from estimated mineral resources. The scope of work contemplated by the project PFS included modifications and enhancements to the existing plant and infrastructure in order to allow blending and processing of higher grade material from the Phase 7 deposit with oxide/transition material from the existing Puren deposit. The Company received approval on the project Declaration of Impact to Environment ("DIA") permit in 2016 and expects to receive sectoral permits in the first half of 2018.

Kettle River — Buckhorn, Washington State, United States

Kinross owns a 100% interest in the Buckhorn Mine following its acquisition of Crown Resources Corporation ("Crown") in August 2006. Crown is a wholly-owned subsidiary of Kinross and is the operator of the Buckhorn Mine. Echo Bay Minerals Company ("Echo Bay") is a wholly-owned subsidiary of Kinross and is the operator of the Kettle River Mill. Both Crown and Echo Bay also hold mineral rights in northern Washington State. Detailed financial, production, and operational information for the Buckhorn Mine is available in Kinross' MD&A for the year ended December 31, 2017.

The Buckhorn Mine is located in the Myers Creek Mining District of northeastern Okanogan County, Washington, approximately 77 kilometres by road from the town of Republic, Washington. Kinross controls mineral and surface rights covering approximately 190 hectares in the immediate mine area, through ownership of patented mining claims, and has access to an additional 5,300 hectares of mineral rights surrounding the mine through ownership or lease of unpatented mining claims, state mineral prospecting leases, and private mineral 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 occurred sporadically in the Buckhorn area beginning in the early twentieth century. There were concerted campaigns by large companies in the 1960s and 1970s, focused mostly on copper. Systematic gold exploration began on the current property in the mid-

1980s, culminating in the discovery of significant gold mineralization in 1988. Since then, over 3,220 drill holes totalling over 279,000 metres have been completed in the area.

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

The Buckhorn Mine ceased production in mid-2017 and is now in the reclamation phase. While in operation, the Buckhorn Mine was a three-portal access underground mine that produced material from two separate areas, the Southwest and Gold Bowl zones. Both cut and fill and longhole stoping mining methods were employed and the current average production rate was 1,000 tonnes per day. The Buckhorn Mine ore was trucked 77 kilometres to the Kettle River Mill where the ore was processed using conventional crushing and grinding before entering a flotation circuit followed by CIL. The mill, while no longer operating, is currently in care and maintenance and is capable of processing 2,200 short tons per day.

Some nearby early stage exploration work was conducted in 2017 in the Curlew district. This exploration work is expected to continue in 2018. Plans are also in place to dewater and rehabilitate the nearby K2 mine in order to conduct underground exploration drilling.

Mine site reclamation activities, such as the installation of bulkheads, facility demolition and surface recountouring began immediately following operations, pursuant to approved closure plans. The mill facility has been placed in a care and maintenance status while regional exploration activities are ongoing. Kinross estimates the net present value of future cash outflows for site restoration costs at Kettle River-Buckhorn under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $90.4 million.

Lobo-Marte, Chile

The Lobo-Marte project is owned by Compania Minera Maricunga (“CMM”), a Chilean company that is 100%-owned by Kinross. Kinross holds a 100% interest in the Lobo-Marte project, having acquired a 40% interest in the project from Anglo American Plc (“Anglo”) in 2008, and the remaining 60% interest from Teck Cominco Limited (“Teck”) in early 2009.

Kinross completed a prefeasibility study at the Lobo-Marte project in 2009 and updated the prefeasibility study in 2010. In 2011, Kinross submitted the environmental and social impact study (“ESIA”) for the project to the Chilean authorities. In 2012, Kinross decided to extend the project timeline as part of its capital optimization process. In 2013, the permitting process was suspended pending further assessment of the project. On November 17, 2014, the Company withdrew its permit application and stopped the permitting process at Lobo-Marte due to substantial changes in the plan of operations, the footprint of the project, project economics, and stringent requirements associated with the permit application. As a result of the permit withdrawal, approximately 6 million estimated gold ounces at Lobo-Marte were reclassified as measured and indicated mineral resources. Any future development or operations at Lobo-Marte would require the re-initiation of the permitting process.

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 89 concessions that are either granted (74) or in the process of receiving a final registered grant (15) covering a total of 41,355 hectares in a single contiguous block. Concessions are held in the name of CMM. Kinross has three established easements and one in-process

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

Prior to 2009, a total of 153 Core and RC drill holes (34,649 metres) were completed at Lobo, with an 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. In 2012, approximately 5,274 metres of Core drilling was completed at Lobo. The 2013 exploration plan consisted of surface exploration works including: rock chip samples, soil samples, trenching and mapping. No exploration work has been performed since 2015.

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 completed the biophysical and socioeconomic baseline study to support the preparation of an 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.

Maricunga, Chile

The Maricunga heap leach mine, formerly known as the Refugio mine, is owned and operated by CMM. Previously, each of Kinross and Bema held a 50% interest in the Maricunga property and Kinross acquired the remaining 50% when it acquired Bema in 2007. Detailed financial,

production and operations information for Maricunga is available in Kinross' MD&A for the year ended December 31, 2017.

The Maricunga property is located in the Maricunga District of the Region III of Chile, 160 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 9,380 hectares. 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.

Maricunga is subject to a royalty payable to Compañía Minera Refugio on the Pancho and Verde pits. The royalty varies from 1.25% to 2.5% of net smelter returns (depending on the applicable net operating margin), which will be paid until December 31, 2040.

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 reopened in October 2005 and achieved its targeted rate of 14 Mt/a (40,000 tonnes per day) in late 2005. Due to water restrictions imposed by the SMA, mining and crushing at Maricunga were suspended in 2016 (see below). Rinsing of the heap leach is ongoing and is expected to take several years.

The Maricunga gold recovery process consists of a single-line primary crushing, fine crushing (secondary and tertiary), heap leaching using cyanide solution, followed by carbon adsorption and regeneration plant operation. The plant can process 48,000 tonnes per day of dry Maricunga ore. The crushing plant product is approximately 80% passing 12 millimetres. Crushed ore is hauled to the heap leach pads by haul trucks. Based on the recovery estimates by ore type, gold recovery over the mine life is expected to average 56.3% of contained gold in the plant feed.

Construction of a sulfidization, acidification, recycling and thickening plant was completed in late 2012 and commissioned during 2013.

Since May 2016 the ore stacked in the heap has been rinsed with the objective to reduce cyanide concentration through natural processes, such as photo-degradation, oxidative processes and volatilization.

CMM currently maintains the following areas: Wet Area (SART, ADR, Leach pad and Ponds), Pantanillo water wells, Administration facilities, camp, high voltage and medium voltage power lines, auxiliary service plants and auxiliary support.

From an operational standpoint, since May 2016, CMM has suspended ore mining, crushing and stacking operations as a result of regulatory action (See "Legal Proceedings and Regulatory Actions" section below).

To date, this condition of partial suspension requires the maintenance of the water balance of the pile through the recirculation of solutions.

CMM made approximately $1.5 million of expenditures on capital projects in 2017, primarily related to land property payments.

No significant exploration activities were performed in 2017.

In August 2015, the Company obtained an Approval Resolution for the CMM Closure Plan under the transitory regime before the Servicio Nacional de Geologia y Mineria ("Sernageomin"). An updated closure plan is being developed in order to modify the approved closure measures in the environmental permits. In November 2016, CMM submitted materials to Sernageomin in respect of a temporary partial closure plan. The permitting process is ongoing. Kinross estimates the net present value of future cash outflows for site restoration costs at Maricunga under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $100.7 million.

Chirano, Ghana

Kinross acquired the Chirano gold mine as part of the September 17, 2010 acquisition of Red Back. Chirano Gold Mines Limited ("CGML") is 90% owned by Kinross with the remaining 10% owned as a carried interest by the Government of Ghana. Detailed financial, production and operations information for Chirano is available in Kinross' MD&A for the year ended December 31, 2017.

The project is located in southwest Ghana primarily in the Bibiani-Anhwiaso-Bekwai District with the remainder located in the Sefwi Wiawso District of the Western Region of Ghana. The mine is located approximately 100 kilometres southwest of Kumasi, which is Ghana's second largest city. Access to the gold

mine from the capital Accra is via a sealed highway to Kumasi and then running southwest towards Bibiani and onwards to Sefwi-Bekwai.

Geologically, the project area lies within the Paleoproterozoic terrain of south-west Ghana, located within the Sefwi Gold Belt, very close to its margin against the Kumasi Basin to the east. Both the belt and basin consist of rocks of Birimian age, with the belt dominated by mafic volcanic and the basin typified by fine-grained, deep-water sediments. Both are intruded by granites. Gold mineralization of economic importance at Chirano is located along a 10 kilometre shear zone known as the Chirano Shear, which hosts the majority of the gold mineralization, although additional splay shears can host gold mineralization of economic importance.

The Chirano gold mine started production in October 2005 with a surface mining operation from three open pits. Surface operations stopped at the end of the second quarter of 2017. Since then, gold production is conducted from three underground mining operations.

Processing capacity is 3.5 Mt/a using a conventional three-stage crushing circuit, followed by primary and secondary ball mills for fine grinding. After grinding and 24 hours of cyanide leaching, a CIL circuit extracts gold in solution to activated carbon. A conventional carbon elution and electrowinning circuit recovers gold which is then smelted to gold doré for shipment to international gold refiners. Gold recovery using the above-described process is typically 91% to 92%. Annual gold production was approximately 246,000 ounces in 2017.

Based on the 2017 mineral reserves, Chirano is expected to continue production up to 2020.

CGML employs approximately 1,013 permanent employees and 46 trainees and short-term employees. In addition, there are approximately 750 contract employees, many of whom are associated with the camp services, employee transport, and exploration and site security services. CGML and the Company are 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.

During 2017, exploration activities continued on the Chirano mining lease and on several district targets, including the completion of 33,808 metres of drilling in 131 drill holes. Drill programs beneath the existing pits and within the existing underground operations continued to extend the limits of the known mineralization. In 2018, planned exploration activities include approximately 17,900 metres of drilling to continue testing resources on the mining lease and adjacent prospecting licenses in support of engineering scoping studies.

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. Kinross estimates the net present value of future cash outflows for site restoration costs at Chirano under IFRS, IAS 37 and IFRIC 1 for the year ended December 31, 2017, at approximately $43.5 million.

RISK FACTORS

The business and operations of Kinross are subject to risks. In addition to considering the other information in this AIF, 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. 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 jewelry 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.

In 2017, the Company's average realized gold price increased to $1,260 per ounce from $1,249 per ounce in 2016. 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 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, possibly material. Kinross may curtail or suspend some or all of its exploration activities, with the result that depleted mineral reserves are not replaced. In addition, the market value of Kinross' gold and/or silver inventory may be reduced and existing mineral reserves and resource estimates 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.

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

Kinross is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel, concrete and cyanide), labour and equipment (including parts) to conduct its mining operations and development projects. A shortage of such input commodities, labour or equipment or a significant increase in their costs 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 and electricity to carry out its mining operations, and such access and supply may not be readily available, especially at the Company's operations in Brazil, Chile and Ghana. Market prices of input 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, labour or equipment may affect the timely conduct and cost of Kinross' operations and development projects. If the costs of certain input 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.

Paracatu water supply and use

Operations at Paracatu are dependent on rainfall and river water capture 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 process plants. Similarly, surface runoff and rain water and water captured from the river is stored in the tailings impoundment, which constitutes the main water reservoir for the process plants. The objective is to capture and store as much water as possible during the rainy season to ensure adequate water supply during the dry season.

Accordingly, prolonged periods without adequate rainfall may adversely impact operations at Paracatu. As a result, production may fall below historic or forecast 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, mining and processing activities were temporarily curtailed at Paracatu in the third quarter of 2017 due to low precipitation.

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' operations and exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, production, imports/exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine closure, 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 laws and regulations, including those pertaining to the rights of leaseholders or the payment of royalties, net profit interest or similar obligations, could adversely affect Kinross' operations or substantially increase the costs associated with those operations. Kinross is unable to predict what new legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective.

Although MDO suspended operations at the La Coipa mine in the fourth quarter of 2013, in accordance with the mine's permit MDO continued its WTP to remediate levels of mercury in the ground water due to seepage from its tailing facility. La Coipa's WTP, related facilities and monitoring program, including downstream monitoring wells, have been in place since 2000. The mine's groundwater treatment permit establishes a very low standard for mercury of 1 part per billion. The La Coipa mine has four monitor wells at or near its downstream property boundary at which there has never been an exceedance of the permitted standard.

On March 16, 2016, the SMA issued a resolution alleging violations under La Coipa's water treatment permit. The resolution specified a total of seven charges, alleging permit violations at the WTP and/or failure to properly permit certain related activities, including capturing water at an undesignated reservoir, deficiencies in the mercury capture system, deficiencies in the monitoring system, and four WTP effluent samples from 2013 above the permitted standard and various monitoring well samples taken in 2013 and 2014. On April 15, 2016, MDO submitted a compliance plan to remediate the alleged permit violations which, following further submissions to the SMA, was ultimately accepted on July 7, 2016. As a result, the sanctioning process has been suspended without any fine or other penalty to MDO provided the plan is implemented and maintained per its terms. Failure to comply with the plan will re-initiate the sanction process and could result in doubled fines of up to $7.7 million per alleged minor violation (5 in total) and $15.4 million per alleged serious violation (2 in total).

On October 14, 2016, six members of a local indigenous community commenced an action in the Copiapo Court of Appeals challenging the approval of the DIA permit for La Coipa's Phase 7 project. On January 13, 2017, the Court of Appeals rejected the legal challenge, which the plaintiffs have not appealed and their right to do so has lapsed. As with any permit, the Phase 7 DIA is open to challenge in other venues, which the Company will vigorously oppose. If such a challenge were brought and successful in its ultimate disposition, the DIA could be revoked, requiring the mine to undertake a more rigorous and lengthy Environmental Impact Study, which in approving the DIA the Chilean environmental permitting authority had deemed unnecessary.

Certain other operations of the Company are the subject of ongoing regulatory review and evaluation by governmental authorities. These may result in additional regulatory actions against the affected operating subsidiaries, and may have an adverse effect on the Company's future operations and/or financial condition. For further details, refer to the "Legal Proceedings and Regulatory Actions" section.

Kinross' future plans rely 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. Kinross is dependent on future growth from development projects. Current approved development projects include Round Mountain Phase W, Bald Mountain Vantage Complex and Tasiast (Phase One and Two). Current potential development projects include opportunities at Fort Knox Gilmore and La Coipa. Development projects rely on the accuracy of

predicted factors including: capital and operating costs; process facility throughput, metallurgical recoveries; mineral reserve and resource 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 and approvals. Unforeseen circumstances, including those related to the amount and nature of the mineralization at the development site, technological impediments to extraction and processing, legal requirements, governmental intervention, infrastructure limitations, environmental issues, disputes with local communities or other events, could result in one or more of our planned developments becoming impractical or uneconomic. 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 at significant risk of 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 permits and approvals necessary for the operation of a project. The timeline to obtain these government permits and 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.

Actual production and cost outcomes may differ significantly from production and cost estimates.

The Company prepares estimates of future production, operating costs and capital costs for its operations. Despite the Company's best efforts to budget and estimate such costs, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation and increase of costs over time, development projects may be prone to material cost overruns. Kinross' actual production and costs may vary from estimates for a variety of reasons, including: increased competition for resources and development inputs; cost inflation; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short term operating factors including relating to the ore mineral 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 development, mining and processing; natural phenomena, such as inclement weather conditions, water availability, floods, earthquakes and subsidence; and unexpected labour shortages, strikes or other disruptions. Costs of production may also be affected by a variety of factors, including: ore grade, ore hardness, metallurgy, changing waste-to-ore

ratios, labour costs, cost of services, commodities (such as power and fuel) and other inputs, general inflationary pressures and currency exchange rates. Many of these factors are beyond Kinross' control. No assurance can be given that Kinross' cost 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.

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 price assumptions used in those estimates, 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 reserve estimates. 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 AIF are based on various assumptions relating to metal 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, legal and economic conditions.

The Company has mining and exploration operations in various regions of the world, including the United States, Brazil, Chile, the Russian Federation, Mauritania, Ghana, and Canada and such operations are exposed to various levels of political, security, legal, 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; crime, including organized criminal enterprise; thefts, armed robberies and illegal incursions on property (including at Paracatu, Tasiast and Chirano), which illegal incursions could result in serious security and operational issues, including the endangerment of life and property; criminal or regulatory investigations; 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 (including work permits for non-nationals at Tasiast); illegal mining (including at Tasiast and Chirano) could result in serious environmental, social, political,

security and operational issues, including the endangerment of life and property; adequacy, response and training of local law enforcement; political regime change due to elections (such as the Mauritanian election scheduled for 2019); changes to policies

and regulations impacting the mining sector; restrictions on foreign exchange and repatriation; restrictions on the importation of goods and equipment; 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 including value added and withholding taxes, royalties, 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. In addition, in certain jurisdictions (such as Brazil and Mauritania) Kinross may be required to pay refundable value added tax ("VAT") on certain purchases. There can be no assurance that the Company will be able to collect all, or part, of the amount of VAT refunds which are owed to the Company.

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. There is also a risk that further sanctions or other penalties will be imposed, or other actions will be taken, as a result of ongoing political tensions and uncertainties with respect to the Russian Federation (including as a result of the Russian Federation's foreign policy decisions, actions in respect of Ukraine and allegations of cyberattacks and interference with the 2016 U.S. presidential election).

Kinross' operations may be adversely affected if its licenses and permits are challenged, revoked, amended, not issued or not renewed.

The development projects and 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. Applicable governmental authorities may revoke, delay or refuse to issue, amend or renew necessary permits. The loss of such permits may hinder Kinross' ability to operate and could have a material effect on Kinross' financial performance and results of operations. 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 of or operation of mining facilities, or to maintain continued operations that economically justify the cost. Kinross endeavors to be in compliance with these licenses and permits, and underlying laws and regulations, at all times.

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, or 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, tailings dam 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, at the Paracatu mine, a significant increase in rainfall could result in flooding, or a prolonged and significant lack of rainfall may disrupt mining operations.

Further, few mining properties that are explored are ultimately developed into producing mines. Major costs 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. The Company's existing insurance policies contain certain exceptions where coverage may not be available (including bullion losses not attributable to theft).

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 AIF 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. The Company may be held responsible for the costs of addressing contamination at, or arising from, current or former activities. Environmental liability may result from mining activities conducted by others prior to the ownership of a property by Kinross. In addition, Kinross may be liable to third parties for exposure to hazardous materials. The costs associated with such responsibilities and liabilities may be substantial. 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.

In the United States, certain mining wastes from extraction and processing of ores that would otherwise be considered hazardous waste under the U.S. Resource Conservation and Recovery Act ("RCRA") and state law equivalents, are currently exempt from certain U.S. Environmental Protection Agency ("EPA") regulations governing hazardous waste. If mine wastes from the Company's U.S. mining operations, including those at the Sunnyside Mine (see "Legal Proceedings and Regulatory Actions" section), are not exempt, and are treated as hazardous waste under the RCRA, material expenditures could be required for waste management and/or the construction of additional waste disposal facilities. In addition, the Company's activities and ownership interests potentially expose the Company to liability under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and its state law equivalents. Under CERCLA and its state law equivalents, subject to certain defenses, any present or past owners or operators of a facility, and any parties that disposed or arranged for the disposal of hazardous substances at such a facility, could be held jointly and severally liable for cleanup costs and may be forced to undertake remedial cleanup actions or to pay for the cleanup efforts in response to unpermitted releases of hazardous substances. Such parties may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon the Company's operations, tailings, and waste disposal areas as well as upon mine closure under federal and state environmental laws and regulations, including, without limitation, the CWA and state law equivalents. Air emissions in the U.S. are subject to the Clean Air Act and its state equivalents as well. Additionally, the Company is subject to other federal and state environmental laws, and potential claims existing under common law, relating to the operation and closure of the Company's U.S. mine sites.

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 $861.4 million as at December 31, 2017 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, 2017, letters of credit totalling $411.5 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 EDC, the corporate revolving credit facility, and pursuant to arrangements with certain international banks. The Company is in

compliance with all applicable requirements under these facilities. In addition, at December 31, 2017, the Company had $254.7 million in surety bonds outstanding for this purpose with respect to its operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies. The Company may incur significant costs in connection with these reclamation activities, which may exceed the provisions the Company has made in respect of its reclamation obligations. In some jurisdictions, reclamation bonds, letters of credit or other forms of financial assurance are required as security for these reclamation obligations. The amount and nature of financial assurance are dependent upon a number of factors, including the Company's financial condition and reclamation cost estimates. Kinross may be required to replace or supplement the existing financial assurance, or source new financial assurance with more expensive forms, which might include cash deposits, which would reduce its cash available for operations and financing activities. There can be no assurance that Kinross will be able to maintain or add to its current level of financial assurance. To the extent that Kinross is or becomes unable to post and maintain sufficient financial assurance for reclamation costs, where required it could potentially result in closure of one or more of the Company's operations, which could have a material adverse effect on the financial condition of the Company.

Developments in Russia may have adverse effects on Kinross' operations 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" (as amended, the "Strategic Investments Law") and "On Amendments to the Subsoil Law" (as amended, the "Subsoil Law") came into effect. A number of important amendments to the Strategic Investments Law became effective on December 6, 2014.

The Strategic Investments Law 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: (a) a Russian company ("RusCo") is engaged in activities which are defined as strategic for the purposes of national security and defence, and (b) a RusCo holds rights to a "strategic deposit" (such as Kupol and Dvoinoye) and 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 including any actions as a result of which a foreign investor or group of persons acquires the right to determine the decisions of the management of a company of strategic importance (such as terms of its business activities). This approval requirement applies in respect of number of transactions, including direct or 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. Any transactions involving the acquisition of ownership, possession or use of basic production assets, the value of which is 25% or more of the balance value, shall also be subject to the prior approval of the competent state bodies.

On July 1, 2017, Russia introduced 'de-offshorization' amendments to the Strategic Investments Law that tighten controls over acquisitions of strategic companies by foreign investors. These amendments ban offshore companies and companies controlled, directly or indirectly, by such offshore companies identified by the Ministry of Finance of Russia ("Offshores") from acquiring strategic companies (or their assets). The Offshores are therefore treated as sovereign foreign investors and face the following restrictions: (a) for a sovereign foreign investor, the acquisition threshold which triggers a requirement to obtain the prior approval of the Russian Governmental commission ("Strategic Commission") is more than 5% of the total voting shares in a strategic company which holds rights to a "strategic deposit"; and (b) a sovereign foreign investor is prohibited from acquiring, directly or indirectly, 25% or more of the voting shares in a strategic company holding rights to a "strategic deposit" (and may not otherwise control a strategic company). The list of Offshores is quite extensive and identifies 40 jurisdictions, including the Bahamas, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, Gibraltar, Panama, Hong Kong and the United Arab Emirates. Certain jurisdictions often used for corporate holdings of Russian businesses — such as Cyprus, Luxemburg and the Netherlands — are not on this list.

The Strategic Investments Law also provides for cases when no prior approval is required in respect of the companies holding the rights to a "strategic deposit".

The Strategic Investments Law designates geological study and/or mining work in subsoil areas of federal significance as strategic activity. According to the Subsoil Law, 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.

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

Under a new regime introduced in July 2017 into the Foreign Investments Law, the chairman of the Strategic Commission may decide at his own discretion that any transaction (irrespective of amount of stakes/participation interests to be acquired or the nature of business) made by a foreign investor in respect of any Russian legal entity (irrespective of whether or not such Russian entity is a strategic company) is subject to approval pursuant to the Strategic Investments Law. Legal consequences for failure to obtain such prior approval are the same as consequences for failure to obtain prior approval pursuant to the Strategic Investments Law (transactions made in violation of the Strategic Investments Law are void and therefore dual restitution is generally applied, or if it is not possible to apply legal consequences of a void transaction, then the foreign investor is stripped of its voting rights). The new provisions do not provide for a procedure that would allow parties to seek the Strategic Commission's approval prior to closing of a transaction. There are no explicit provisions in the Strategic Investments Law that would prevent the Strategic Commission from reviewing a transaction and potentially blocking it even after it had been closed. In this regard we believe that certain supplement legislation and/or official guidance will follow.

Under the Subsoil Law and RF Government Resolution no. 697 dated September 16, 2008, combined licence holders controlled by a foreign investor (such as CMGC with respect to the Kupol East and Kupol West licences) are required to seek approval from the RF government prior to the commencement of mining operations on a strategic deposit under a combined licence. The RF government has the right to terminate

the combined licence after completion of geological surveys, if a strategic deposit is discovered during the exploration stage with respect to these deposits. If such approval is not obtained and the licence is terminated, the Company will not be able to mine under the Kupol East and Kupol West combined exploration and mining licences or the Vodorazdelnaya property after completion of geological surveys. Although the RF Government has granted such approval to other applicable parties, there can be no assurance that such approval to mine will be granted to the licence holder by the RF Government or what the terms of such approval might be. In the case of a withdrawal of a licence, 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 licence 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 licence holder may be paid a finder's fee by the RF Government in its discretion.

Ongoing political tensions and uncertainties with respect to the Russian Federation (including as a result of the Russian Federation's foreign policy decisions, actions in respect of Ukraine and allegations of cyberattacks and interference with the 2016 U.S. presidential election) have resulted in the imposition of sectoral and other economic sanctions, and increased the risk that the U.S. and certain other governments may impose further economic, or other, sanctions or penalties on, or may take other actions against, the Russian Federation or on persons and/or companies conducting business in the Russian Federation. There can be no assurance that sanctions or other penalties will not be imposed, or other actions will not be taken, by the Russian Federation, including in response to existing or threatened sanctions or other penalties or actions by the United States, Canada or the European Union and/or other governments against the Russian Federation or persons and/or companies conducting business in the Russian Federation. The imposition of such economic sanctions or other penalties, or such other actions by the Russian Federation and/or other governments, could have a material adverse effect on the Company's assets and operations. Debt markets and ratings agencies may take the view that the Company is exposed to concentration risk with respect to the Russian Federation, given its significant operations and cash flows coming from that jurisdiction.

Developments in Mauritania may have adverse effects on Kinross' operations and development projects in Mauritania.

Kinross is subject to political, economic and security risks which, should they materialize, may adversely affect the Company's ability to operate its Tasiast mine in Mauritania.

These risks include but are not limited to the following: (1) the potential that the government may attempt to renegotiate current mining conventions or to revoke existing stability provisions in those conventions; (2) potential political instability; (3) the security situation in the country may deteriorate; (4) a lack of transparency in the operation of the government and development of new laws; (5) the potential for laws and regulations to be inconsistently applied; (6) the lack of predictability or transparency in the permitting review process, including the pending requests for the conversion of the Tasiast Sud exploration license to an exploitation license; and (7) a number of public policy issues material to the economic viability of the current operation or any possible expansion may not be positively resolved. These issues include, but are not limited to, a process and timetable for payment or offset of VAT refunds owed by the government to the Company, the long-term stability in the Company's relationship with the workers' union, the application of a clear, comprehensive, legally certain and enforceable VAT exemption for the mining industry, illegal mining on Company concessions, customs delays, labor force management and flexible labor practices and the timely issuance of work permits for the non-national workforce, including employees of the Company's contractors and restrictions imposed by possible new laws and regulations.

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

The validity of mining rights, including mining claims which constitute most of Kinross' property holdings, may, in certain cases, be uncertain and subject to being contested. Kinross' mining rights, claims and other land titles, particularly title to undeveloped properties, may be defective and open to being challenged by governmental authorities and local communities.

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 case 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 and where cross-motions for summary judgment are fully briefed and currently pending decision.

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 peoples. The presence of community stakeholders may also impact the Company's ability to explore, 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 explore, 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 Eustaquio tailings facility at Paracatu.

The Federal Public Attorney ("FPA") in Brazil filed a lawsuit relating to the alleged rights of the Quilombola people in connection with certain lands being used to construct the Eustáquio 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 Eustáquio tailings facility. The FPA's injunction was denied, the permit to operate was issued and the Eustáquio tailings facility has been operating since July 2012. In December, 2013 and January of 2014, the trial court judge issued decisions denying the FPA's claim. In the fourth quarter of 2014, the FPA filed appeals challenging the decisions of the trial court. Kinross has filed its response to the appeals and will continue to vigorously oppose the lawsuit.

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. In the search for and the acquisition of attractive mineral properties, Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Kinross. 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 new 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 financial statement preparation, and ongoing evaluation may identify areas in need of improvement.

Kinross has invested resources to document and assess its system of internal control over financial reporting and undertakes continuous evaluation of such internal controls. Internal control 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, safeguards 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 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 is committed 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. 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 are no longer available, Kinross and its business could be adversely affected. Kinross does not carry key-man life insurance with respect to its executives.

To operate successfully, Kinross uses an internally generated financial forecast although this cannot account for all market risks.

To determine its market risk sensitivities, Kinross uses an internally generated financial forecast model that is sensitized to, among other things, 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 2017, sensitivity to a 10% change in the gold price is estimated to have an approximate $280 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 2017, sensitivity to a 10% change in the silver price is estimated to have an approximate $6 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.

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.

The Company's ability to access debt markets and the related cost of debt financing is dependent upon its credit ratings. The Company has a BBB- rating from Fitch Ratings, a Ba1 rating from Moody's and a BBB- rating from Standard Poor's. There is no assurance that these credit ratings will remain in effect for any given period of time or that such ratings will not be revised or withdrawn entirely by the rating agencies. Real or anticipated changes in credit ratings can affect the price of the Company's existing debt as well as the Company's ability to access the capital markets and the cost of such debt financing.

If the Company is unable to maintain its indebtedness and financial ratios at levels acceptable to its credit rating agencies, or should the Company's business prospects deteriorate, the ratings currently assigned to the Company by the rating agencies could be downgraded, which could adversely affect the value of the Company's outstanding securities and existing debt, its ability to obtain new financing on favourable terms, and increase the Company's borrowing costs.

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 historically, there can be no assurance that it can continue to do so. Kinross' level of indebtedness could have important and potentially adverse 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; (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, legal 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 and silver are 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 and silver 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 U.S. dollars, they may not always be convertible in the future.

Interest rates are subject to fluctuation risk.

Fluctuations in interest rates can affect the Company's results of operations and cash flow. The Company's corporate revolving credit facility is subject to a variable interest rate.

Kinross has a practice of "no gold hedging", although 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 does not hedge gold in the ordinary course, the Company has from time to time through acquisitions 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, along with assets to support its business operations. 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 ore body may prove to be below expectations; Kinross may have difficulty integrating and assimilating the operations, technologies and personnel of any acquired companies, 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, Kinross may suffer significant financial losses or be required to write-down the value of the assets acquired (See Risk Factors related to impairment, below).

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 is subject to credit and counterparty risks of third parties with which it contracts.

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. 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 adversely affected 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.

The Company has not experienced any difficulties to date relating to the counterparties with which it transacts. The counterparties continue to be highly rated, and as noted above, the Company has employed measures to reduce the impact of counterparty risk.

Liquidity risk is the risk that the Company may not have sufficient cash resources available to meet its payment obligations. 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 private and public financing. Additionally, the Company reviews its short-term operational forecasts regularly and long-term budgets to determine its cash requirements.

Kinross may be adversely affected by global financial conditions.

The volatility and challenges that economies continue to experience around the world continues to affect the profitability and liquidity of businesses in many industries, which in turn has resulted in the following conditions that may have an effect on the profitability and cash flows of the Company:

- Volatility in commodity prices and foreign exchange rates;
- Tightening of credit markets;
- 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 Risk Factors related to the gold 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 affected the Company's liquidity.

The Company extended the maturity of its revolving credit facility by one year to August 2022. As at December 31, 2017, the Company had $1,563.8 million available under its credit facility arrangements. However, continued tightening of credit markets may affect 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 relating 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 affect 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.

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, tax matters, 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. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result Kinross may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

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 or other reliable venues. Kinross' inability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

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

Certain of the operations in which Kinross has an interest are operated through joint arrangements with other mining companies and are subject to the risks normally associated with the conduct of joint arrangements. 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 arrangements, 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 arrangement properties; (b) disagreement with partners on how to develop and operate mines efficiently; (c) inability of partners to meet their obligations to the joint arrangements or third parties; and (d) litigation between partners regarding joint arrangement matters.

Kinross may be negatively affected by market price volatility.

Kinross' common shares are listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). The price of 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 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 Kinross' common shares; and a substantial decline in the price of Kinross' common shares that persists for a significant period of time could cause Kinross' common shares to be delisted from the TSX or NYSE further reducing market liquidity.

As a result of any of these factors, the market price of Kinross' common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation has been commenced against companies, including Kinross, following periods of volatility or significant decline in the market price of their securities. Securities litigation could result in substantial costs and damages and divert management's attention and resources. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's financial position.

Kinross may record impairment charges which may adversely affect financial results.

Kinross evaluates, on at least an annual basis, the carrying amount of its cash generating units ("CGUs") to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. Goodwill is required to be tested annually for impairment and Kinross performs this annual test at the end of the fourth quarter. In addition, at each reporting period end, Kinross assesses whether there is any indication that any of its CGUs' carrying amounts exceed their recoverable amounts, and if there is such an indication, the Company would test for potential impairment at that time. The recoverable amounts, or 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, some of which may be subjective, and it is possible that actual fair value could be significantly different than those estimates.

A significant delay or disruption in sales of doré as a result of the unexpected discontinuation of services provided by refineries or a failure by refineries to meet outstanding delivery obligations could have a material adverse effect on operations.

The Company currently engages third-party refineries to refine doré into good delivery gold and silver bars, which are in turn sold into open markets. The refineries are located in Canada, Switzerland, South Africa, Russia, India, Brazil, and the United States. The loss of any one refiner could have a material adverse effect on the Company if alternative refineries are unavailable. There can be no guarantee that alternative refineries would be available if the need for them were to arise or that it would not experience delays or disruptions in sales that would materially and adversely affect results of operations. In addition, the Company has doré inventory at refineries and could incur a loss arising from the refineries' failure to fulfill their contractual obligations. The Company has legally binding agreements in place for gold and silver sales transactions and bullion insurance, but there is a risk that a refinery will not satisfy its delivery obligations. In such a case, the Company may pursue all remedies available, as appropriate, to enforce any outstanding delivery obligations. If such delivery obligations are not fulfilled by the refinery, remedied by a court in a specific performance or damages judgment or insurance proceeds are not received, the Company will incur a one-time non-cash charge related to the carrying value of the inventory.

Kinross may be negatively affected by cybersecurity incidents or other IT systems disruption.

The Company relies heavily on its information technology systems including, without limitation, its networks, equipment, hardware, software, telecommunications, and other information technology (collectively, "IT systems"), and the IT systems of its vendors and third-party service providers, to operate its business as a whole including mining operations and development projects.

IT systems are subject to an increasing threat of continually evolving cybersecurity risks including, without limitation, computer viruses, security breaches and cyberattacks. In addition, the Company is subject to the risk of unauthorized access to its IT systems or its information through fraud or other means. Kinross' operations also depend on the timely maintenance, upgrade and replacement of its IT systems, as well as pre-emptive expenses to mitigate cybersecurity risks and other IT systems disruptions.

Although Kinross has not experienced any material losses to date relating to cybersecurity, or other IT systems disruptions, there can be no assurance that Kinross will not incur such losses in the future. Despite the Company's mitigation efforts including implementing an IT systems security risk management framework and developing a cybersecurity incident response plan, the risk and exposure to these threats cannot be fully mitigated because of, among other things, the evolving nature of cybersecurity threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect IT systems from cybersecurity threats remain a priority. As these threats continue to evolve, the Company, its vendors and third-party service providers, including IT service providers, may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any cybersecurity vulnerabilities.

Any cybersecurity incidents or other IT systems disruption could result in production downtimes, operational delays, destruction or corruption of data, security breaches, financial losses from remedial actions, the theft or other compromising of confidential or otherwise protected information, fines and lawsuits, or damage to the Company's reputation. Any such occurrence could have an adverse impact on Kinross' financial condition and results of operations.

DIVIDEND PAYMENTS AND DIVIDEND POLICY

On July 31, 2013, the Board of Directors suspended the payment of semi-annual dividends.

Kinross is under no obligation to declare or pay 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 obtain consent from the lenders prior to declaring any common share dividend.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Sunnyside Mine is an inactive mine situated in the so-called Bonita Peak Mining District ("District") near Silverton, Colorado. A subsidiary of Kinross, Sunnyside Gold Corporation ("SGC"), was involved in operations at the mine from 1985 through 1991 and subsequently conducted various reclamation and closure activities at the mine and in the surrounding area. In the third quarter of 2016, the Environmental Protection Agency (the "EPA") listed the District, including areas impacted by SGC's operations and closure activities, on the National Priorities List pursuant to the CERCLA. SGC challenged portions of the CERCLA listing in the United States Court of Appeals for District of Columbia Circuit. On March 6, 2018, a three member panel denied SGC's petition for review. The EPA has notified SGC that SGC is a potentially responsible party under CERCLA and may be jointly and severally liable for cleanup of the District or cleanup costs incurred by the EPA in the District. The EPA may in the future provide similar notification to Kinross. On March 15, 2018, the EPA issued to SGC a Unilateral Administrative Order for Remedial Investigation ("UAO"). The UAO requires SGC to prepare and perform a remedial investigation to determine the nature and extent of contamination within the Bonita Peak Groundwater System. Failure to comply with the UAO may subject SGC to penalties and damages. On August 5, 2015, while working in another mine in the District known as the Gold King, the EPA caused a release of approximately three million gallons of contaminated water into a tributary of the Animas River. In the second quarter of 2016, the State of New Mexico filed a Complaint naming the EPA, SGC, Kinross and others alleging violations of CERCLA, RCRA, and the CWA and claiming negligence, gross negligence, public nuisance and trespass. The Complaint seeks cost recovery, damages, injunctive relief, and attorney's fees. In the third quarter of 2016, the Navajo Nation initiated litigation against the EPA, SGC, Kinross and others, alleging entitlement to cost recovery under CERCLA for past and future costs incurred, negligence, gross negligence, trespass, and public and private nuisance, and seeking reimbursement of past and future costs, compensatory, consequential and punitive damages, injunctive relief and attorneys' fees. The suits brought by New Mexico and the Navajo Nation have been consolidated. In the third quarter of 2017, the State of Utah filed a Complaint naming SGC, Kinross and others alleging negligence, gross negligence, public nuisance, trespass, and violation of the Utah Water Quality Act and the Utah Solid and Hazardous Waste Act. The Complaint seeks cost recovery, compensatory, consequential and punitive damages, penalties, disgorgement of profits, declaratory, injunctive and other relief under CERCLA, attorney's fees, and costs. On January 4, 2018, Utah filed an

amended complaint adding claims against EPA. Motions and pleadings have been filed to consolidate the New Mexico, Navajo, and Utah lawsuits before the United States Judicial Panel on Multidistrict Litigation ("MDL"). A hearing on MDL consolidation is scheduled for March 29, 2018 before the MDL Panel. The New Mexico, Navajo, and Utah lawsuits have all been stayed pending a decision on the MDL consolidation request. Kinross and SGC will vigorously defend themselves in the actions that have been brought and in any future actions that may be brought.

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 Actions

Kinross Gold Corporation

In August 2013, Kinross received information regarding allegations of improper payments made to government officials and certain internal control deficiencies at its West Africa mining operations. External

legal counsel was immediately retained to conduct an objective internal investigation into the allegations. In March and December 2014, and July 2015, Kinross received subpoenas from the United States Securities and Exchange Commission (the "SEC") seeking information and documents on substantially the same subjects as had previously been raised. In December 2014, Kinross received similar requests for information from the United States Department of Justice. The US Department of Justice issued a declination letter in November 2017 that stated that the Department was closing its inquiry. On March 26 2018, the SEC announced a resolution with the Company pursuant to which the SEC entered a cease and desist order enjoining the Company from violating the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act. As part of the settlement, the Company will pay a civil penalty of $950,000 and will report to the SEC on its anti-corruption compliance for a one-year period.

Maricunga

In late 2013, CMM was fined approximately $40,000 in respect of the degradation of the Pantanillo wetland located near the Maricunga mine's water pumping wells. CMM paid the fine, as required, and sought governmental approval of remedial action plans aimed at addressing the degradation. CMM's remedial action plans were not fully approved and only a subset of CMM's planned activities were allowed to be implemented.

In May 2015, the SMA issued a resolution alleging that CMM had irreparably harmed portions of the Pantanillo wetland and two other downstream wetlands known respectively as Valle Ancho and Barros Negros, and that the mine's continuing water use poses an imminent risk to those wetlands. In response, CMM submitted legal and technical defenses, expert reports and other materials challenging the SMA's allegations, and complied with various information requests from the SMA.

On March 18, 2016, the SMA issued a resolution against CMM in respect of the SMA's May 2015 allegations regarding the Valle Ancho wetland, located approximately 7 kilometres downgradient from CMM's groundwater wells supplying water to the operation, seeking to impose a sanction of an immediate complete curtailment of water use from the groundwater wells and related aquifer (the "sanction proceedings"). The Maricunga mine relies solely on water from the Pantanillo area groundwater wells to support its operations. On March 28, 2016, CMM filed a request with the SMA for reconsideration. While reserving its rights of appeal, CMM requested reconsideration of the sanction on the basis that a complete stoppage of water use at the Maricunga mine was both legally and technically flawed, and could have serious environmental, health and safety consequences. Specifically, until the Maricunga mine is closed in accordance with the government-approved closure plan, the mine will require some water to ensure the health and safety of its personnel and local communities, maintain the environmental stability of the heap leach facilities, and complete closure of the mine in an environmentally responsible manner in accordance with its permits, applicable laws and international best practices.

Beginning in May 2016, the SMA issued a series of resolutions ordering CMM to "temporarily" curtail the pumping of water from the groundwater wells. In response, CMM suspended mining and crushing activities and reduced water consumption to minimal levels. CMM contested these resolutions by seeking reconsideration with the SMA and appealing to Chile's Environmental Tribunal, but its efforts were unsuccessful and, except for a short period of time in July 2016, the Company's operations have remained suspended. On June 24, 2016, the SMA amended its initial sanction (the "Amended Sanction"). The terms of the Amended Sanction effectively required CMM to cease operations and close the mine, with water use curtailed to levels far below those required for closure in compliance with the mine's government-approved plan. On July 9, 2016, CMM filed its appeal in the sanction proceedings. As part of its appeal, CMM submitted legal and technical arguments and reports by experts on wetland vegetation, analysis of long-term satellite imagery and groundwater hydrology criticizing the evidence relied upon by the SMA and concluding that current data does not support an assertion that CMM's pumping is negatively impacting water levels 7 kilometres downgradient at the Valle Ancho wetland. On August 30, 2016, CMM submitted a request to the Environmental Tribunal that it issue an injunction suspending the effectiveness of the Amended Sanction pending a final decision on the merits of CMM's appeal of the Amended Sanction. On September 16, 2016, the Environmental Tribunal rejected CMM's injunction request. On October 11, 2016, a hearing was held before the Environmental Tribunal on CMM's appeal of the Amended Sanction and on CMM's appeals of prior water curtailment orders. On August 7, 2017, the Environmental Tribunal upheld the SMA's Amended Sanction and curtailment orders on purely procedural grounds. No findings were made by the Tribunal on the issue of whether CMM's pumping caused damage to area wetlands, as alleged by the SMA. On

September 27, 2017, CMM appealed the matter to the Supreme Court of Chile, which accepted the appeal on December 14, 2017. The timing of any substantive decision by the Supreme Court is uncertain.

On June 2, 2016, CMM was served with two separate lawsuits filed by the Chilean State Defense Counsel. Both lawsuits are based upon allegations that CMM's pumping from its Pantanillo area groundwater wells has caused damage to area wetlands. One action relates to the Pantanillo wetland (as described above). The other action relates to the Valle Ancho wetland, and is largely based upon the same factual assertions at issue in the SMA sanction proceedings. These lawsuits seek, among other things, to require CMM to cease pumping from the groundwater wells, finance various investigations and conduct restoration activities. On June 20, 2016, CMM filed its defenses. Evidentiary hearings before the Environmental Tribunal occurred in 2016 and early 2017, and closing arguments occurred in December 2017. The timing of any substantive decision by the Environmental Tribunal is uncertain. CMM will continue to vigorously defend itself in these proceedings.

Kettle River - Buckhorn

The environmental aspects of the Kettle River project have been studied extensively since 1991, and on September 25, 2006 the Washington Department of Ecology (the "WDOE") 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. On February 27, 2014, the WDOE renewed Buckhorn Mine's National Pollution Discharge Elimination System Permit (the "Renewed Permit"), with an effective date of March 1, 2014. The Renewed Permit contained conditions that were more restrictive than the original discharge permit. In addition, the Company felt that the Renewed Permit was internally inconsistent, technically unworkable and inconsistent with existing agreements in place with the WDOE, including a settlement agreement previously entered into by Crown and the WDOE in June 2013 (the "Settlement Agreement"). On February 28, 2014, Crown filed an appeal of the Renewed Permit with the Washington Pollution Control Hearings Board ("PCHB"). In addition, on January 15, 2015, Crown filed a lawsuit against the WDOE in Ferry County Superior Court, Washington, claiming that the WDOE breached the Settlement Agreement by including various unworkable compliance terms in the Renewed Permit (the "Crown Action"). On July 30, 2015, the PCHB upheld the Renewed Permit. Crown filed a Petition for Review in Ferry County Superior Court, Washington, on August 27, 2015, seeking to have the PCHB decision overturned (the "Appeal"). On March 13, 2017, the Ferry County Superior Court upheld the PCHB's decision. On April 12, 2017, Crown appealed the Ferry County Superior Court's ruling to the State of Washington Court of Appeals, where the matter remains pending.

On July 19, 2016, the WDOE issued an Administrative Order ("AO") to Crown and Kinross Gold Corporation asserting that the companies had exceeded the discharge limits in the Renewed Permit a total of 931 times and has also failed to maintain the capture zone required under the Renewed Permit. The AO orders the companies to develop an action plan to capture and treat water escaping the capture zone, undertake various investigations and studies, revise its Adaptive Management Plan, and report findings by various deadlines in the fourth quarter 2016. The companies timely made the required submittals. On August 17, 2016, the companies filed an appeal of the AO with the PCHB (the "AO Appeal"). Because the AO Appeal raises many of the same issues that have been raised in the Appeal and Crown Action, the companies and WDOE agreed to stay the AO Appeal indefinitely to allow these matters to be resolved. The PCHB granted the request for stay on August 26, 2016. The stay is affirmed by the PCHB upon receipt of applicable filings. The stay was most recently affirmed on January 30, 2018.

On November 30, 2017, the WDOE issued a Notice of Violation ("NOV") to Crown and Kinross asserting that the companies had exceeded the discharge limits in the Permit a total of 113 times during the 3rd quarter of 2017 and also failed to maintain the capture zone as required under the Permit. The NOV ordered the companies to file a report with WDOE identifying the steps which have been and are being taken to "control such waste or pollution or otherwise comply with this determination," which report was filed on January 19, 2018. Following its review of this report, WDOE may issue an AO or other directives to the Company. The NOV is not immediately appealable, but any subsequent AO or other directive relating to the NOV may be appealed, as appropriate.

Crown also faces potential legal actions by non-governmental organizations relating to the Permit and the renewed Permit. In the past, Crown and Kinross Gold U.S.A., Inc. have received Notice of Intent to Sue letters from the Okanogan Highlands Alliance ("OHA") advising that it intends to file a citizen's suit against Crown under the CWA for alleged violations of the Permit, renewed Permit and the CWA, including failure to adequately capture and treat mine-impacted groundwater and surface water at the site in violation of the Permit and renewed Permit. OHA's notice letters further recite that the CWA authorizes injunctive relief and civil penalties in the amount of up to $37,500 per day per violation. However, to date, OHA has not filed a lawsuit.

DESCRIPTION OF CAPITAL STRUCTURE

KINROSS COMMON SHARES

Kinross has an unlimited number of common shares authorized and 1,249,941,828 common shares issued and outstanding as of March 28, 2018. 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, 2017						
January	5.13	4.20	226.4	3.91	3.13	255.8
February	5.55	4.64	186.6	4.23	3.49	231.5
March	4.79	4.24	236.2	3.58	3.15	250.8
April	5.23	4.56	178.5	3.90	3.35	243.3
May	5.95	4.59	239.9	4.38	3.35	291.5
June	6.30	5.17	173.2	4.66	3.92	260.0
July	5.40	4.81	114.2	4.35	3.73	196.7
August	5.72	5.08	136.8	4.57	4.06	270.4
September	5.96	5.17	184.6	4.91	4.11	205.1
October	5.62	4.94	93.3	4.52	3.82	158.7
November	5.70	5.02	108.7	4.49	3.91	195.9
December	5.48	4.85	93.9	4.37	3.78	158.0

	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, 2016						
January	2.84	1.90	144.9	2.02	1.31	211.9
February	4.64	2.27	260.0	3.36	1.62	399.5
March	4.60	3.61	352.4	3.58	2.68	387.1
April	7.15	4.20	276.1	5.70	3.21	344.0
May	7.49	5.43	319.9	5.82	4.20	362.4
June	7.10	5.46	295.5	5.49	4.17	362.5
July	7.56	6.18	200.1	5.81	4.68	276.5
August	7.23	5.20	179.3	5.56	3.96	392.2
September	5.99	5.16	209.2	4.62	3.93	364.7
October	5.56	4.52	175.7	4.24	3.42	336.5
November	5.75	4.19	222.6	4.27	3.10	322.1
December	4.69	3.87	189.9	3.57	2.88	324.4

RATINGS

The following table sets out the ratings of Kinross' corporate debt by the rating agencies, indicated as at March 29, 2018:

	Standard & Poor's Rating Services	Moody's Investors Service	Fitch Ratings Ltd.
US $500 million, 4.500% notes due 2027	BBB-	Ba1	BBB-
US $500 million, 5.125% notes due 2021	BBB-	Ba1	BBB-

US $250 million, 6.875% notes due 2041	BBB-	Ba1	BBB-
US $500 million, 5.95% notes due 2024	BBB-	Ba1	BBB-

Standard & Poor's Ratings Services credit ratings for long-term debt are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The BB rating is the fifth highest of ten major categories. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. If S&P anticipates that a credit rating may change in the next six to 24 months, it may issue an updated ratings outlook indicating whether the possible change is likely to be "positive," "negative," "stable," or "developing." However, a rating outlook does not mean that a rating change is inevitable.

Moody's Investors Service ("Moody's") credit ratings for long-term debt are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. According to Moody's, a rating of Ba1 is the fifth highest of nine major categories. For ratings of Aa through Caa, Moody's may apply numerical modifiers of 1, 2 or 3 in each generic rating classification to indicate relatively higher, middle or lower ranking. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. A Moody's rating outlook is an opinion regarding the likely rating direction over the medium-term. Ratings outlooks fall into four categories: positive, negative, stable, and developing. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term. The time between the assignment of a new rating outlook and a subsequent rating action has historically varied widely. On average, the next rating action has followed within about a year. The next rating action subsequent to the assignment of a negative rating outlook has historically been a downgrade or review for possible downgrade.

Fitch Ratings Ltd. credit ratings are on a rating scale that ranges from AAA to D, which represents the range from highest to lowest quality. The terms "investment grade" and "speculative grade" have established themselves over time as shorthand to describe the categories AAA to BBB (investment grade) and BB to D (speculative grade). The ratings from AA to B may be modified by the addition of a plus (+) or minus (–) sign to show relative standing within the major rating categories. According to Fitch Ratings Ltd.'s system, BBB ratings indicate good credit quality and that the expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. An outlook indicates the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. Positive or negative rating outlooks do not imply that a rating change is inevitable and, similarly, ratings with stable outlooks can be raised or lowered without a prior revision to the outlook, if circumstances warrant such an action.

A definition and description of the categories of the credit ratings described above which have been assigned to the Company's debt are publicly available from the website of each of the individual rating agencies.

Kinross understands that the ratings are based on, among other things, information furnished to the above rating agencies by Kinross and information obtained by the rating agencies from publicly available sources. The credit ratings given to Kinross' debt instruments by the rating agencies are not recommendations to buy, hold or sell such debt instruments since such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. Credit ratings accorded to Kinross' debt instruments may not reflect the potential impact of all risks on the value of such instruments, including risks related to market or other factors

discussed in this AIF (See "Risk Factors", above).

DIRECTORS AND OFFICERS

DIRECTORS

Set forth below is information regarding the directors of Kinross as of March 29, 2018.

Name and Place of Residence	Principal Occupation	Director Since	Current Committees[1]
Ian Atkinson The Woodlands, Texas United States	Corporate Director	February 10, 2016	CGN, CR
John A. Brough Toronto, Ontario Canada	Corporate Director	January 19, 1994	A, H
Kerry D. Dyte Calgary, Alberta Canada	Corporate Director	November 8, 2017	A, CGN
Ave G. Lethbridge Toronto, Ontario Canada	EVP and Chief Human Resources and Safety Officer, Toronto Hydro Corporation	May 6, 2015	A, H
Catherine McLeod-Seltzer Vancouver, British Columbia Canada	Non-Executive Chairman and Director, Bear Creek Mining	October 26, 2005	CGN, CR

John E. Oliver Halifax, Nova Scotia Canada	Corporate Director	March 7, 1995	H
Kelly J. Osborne Horseshoe Bay, Texas United States	Corporate Director	May 6, 2015	CGN, CR
Una M. Power Calgary, Alberta Canada	Corporate Director	April 3, 2013	A, CR
J. Paul Rollinson Toronto, Ontario Canada	President and Chief Executive Officer of Kinross	August 1, 2012	None

(1) Committees: A-Audit and Risk, CGN-Corporate Governance and Nominating, CR-Corporate Responsibility and Technical, H-Human Resources and Compensation,

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, with the exception of Mr. Ian Atkinson, Mr. Kerry D. Dyte, Mr. Kelly J. Osborne and Ms. Una M. Power.

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

Ian Atkinson

Mr. Atkinson was most recently the President & Chief Executive Officer and a Director of Centerra Gold Inc., a gold mining company, a position he held from May 2012 until his retirement at the end of 2015. Prior to that, he was Senior Vice-President, Global Exploration from July 2010 to April 2012 and Vice-President, Exploration from October 2005 to June 2010 of Centerra Gold Inc. From September 2004 to October 2005, he was Vice-President, Exploration & Strategy of Hecla Mining Company, an international gold and silver mining company in Idaho, USA. During the years 2001-2004, he was an independent management consultant based out of Houston, Texas, USA. From July 1996 to June 1999 he was Senior Vice-President, Exploration and from June 1999 to January 2001 he held the position of Senior Vice-President, Operations & Exploration with Battle Mountain Gold Company in Houston, Texas, USA. He was Senior Vice-President with Hemlo Gold Mines, Inc., Toronto, from September 1991 to July 1996. Mr. Atkinson holds a Bachelor of Science in Geology and a Master of Science in Geophysics from the University of London, England and a Diploma in surveying from the Imperial College, London, England.

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 Professional Accountant, 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 Professional Accountants of Ontario.

Kerry D. Dyte

Mr. Dyte was most recently Executive Transition Advisor at Cenovus Energy Inc. ("Cenovus"), an integrated Canadian oil company headquartered in Calgary, a position he held from December 2015 until his retirement in March 2016. Prior to that, he was the Executive Vice-President, General Counsel and Corporate Secretary at Cenovus from December 2009 to December 2015. From December 2002 to December 2009 he was the Vice-President, General Counsel and Corporate Secretary, of EnCana Corporation ("EnCana"), a leading North American energy producer. Prior to that, he held the position of Assistant General Counsel and Corporate Secretary from April 2002 to December 2002 at EnCana. From June 2001 to April 2002, he held the position of Assistant General Counsel at Alberta Energy Company Ltd., prior to its merger with PanCanadian Energy Corporation to form EnCana. He was the Treasurer of Mobil Oil Canada Ltd. from August 1997 to December 2000. From March 1991 to August 1997 he was the Senior Counsel and Assistant Corporate Secretary of Mobil Oil Canada Ltd. In 1996 he was also posted to Mobil Oil Australia where he was Senior Counsel. Mr. Dyte served on the Financial Review Advisory Committee of the Alberta Securities Commission from 2010 to 2015. He was the President (2013 to 2014) and member of the executive committee (2004 to 2008; 2011 to 2015) of the Association of Canadian General Counsels. He has been associated with Hull Services, a not for profit organization that provides integrated behavioural and mental health services for children and families, and is currently the chair of the board of governors and also a member of the governance & human resources committee. Mr. Dyte holds a Bachelor of Law degree from the University

of Alberta, Canada. He has also completed the Directors Education Program from the Institute of Corporate Directors, Calgary and currently holds the ICD.D designation.

Ave G. Lethbridge

Ms. Lethbridge is currently Executive Vice-President and Chief Human Resources and Safety Officer of Toronto Hydro Corporation, an electric company, a position that she has held since November 2013. During her career spanning 18 years, from 1998 to present, with Toronto Hydro, she has held various progressive leadership positions in areas encompassing environment, health and safety, corporate social responsibility, labour relations, workforce planning, talent management, succession planning and leadership development. From 1998 to 2002, she was Director, Organizational Development and Leader of Business Transformation Change; from 2002-2004 as Vice-President, Organizational Development and Performance & Corporate Ethics Officer; from 2004-2007 as Vice-President, Human Resources and Organizational Effectiveness; from 2008-2013 as Vice-President, Organizational Effectiveness and Environment Health and Safety. Prior to joining Toronto Hydro, Ms. Lethbridge was Senior Manager with Scarborough Public Utilities from 1987-1997 and was a Human Resources Consultant with Great West Gas from 1981-1987. Ms. Lethbridge holds a Master of Science degree in Organizational Development from the Pepperdine University, CA. She has completed the Directors' Education Program from the Rotman School of Management of the University of Toronto in 2011 and holds a designation from the Institute of Corporate Directors, (ICD) effective 2015. She completed the Strategic Organizational Change Program in 1998 and the Advanced Human Resources Management Program in 1996 from the University of Toronto, Rotman School of Business. She is a Certified Human Resources Executive (CHRE) since 2014 and Certified in Human Resources Management (CHRM) since 1994. She has also completed several financial literacy programs for executives and directors including courses from the Rotman School of Management of the University of Toronto and the Harvard Business School. Ms. Lethbridge also served on the board of governors of Georgian College.

Catherine McLeod-Seltzer

Ms. McLeod-Seltzer has been the non-Executive Chairman and a director of Bear Creek Mining since 2003 and was the non-executive/independent Chairman and a director of Pacific Rim Mining Corp. until November, 2013. She had 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.

John E. Oliver

Mr. Oliver retired after 41 years of working in retail, corporate and investment banking at the Bank of Nova Scotia. He was Executive Managing Director and Co-Head of Scotia Capital U.S., Bank of Nova Scotia leading specialists groups in oil and gas, technology, real estate, diversified industries and leisure and gaming. Mr. Oliver is the former Chair of the Canadian Museum of Immigration, a federal Crown corporation, and former Vice-Chair of Autism Nova Scotia. He was appointed the Independent Chairman of the Company in August 2002.

Kelly J. Osborne

Mr. Osborne was most recently the President, Chief Executive Officer and a director of Duluth Metals, where he also held the position of Chief Operating Officer from July 2012 to April 2014, and the position of Chief Executive Officer of Twin Metal Minnesota, a wholly owned subsidiary of Duluth Metals, from July 2014 to January 2015. From 2004-2012, he held various progressive leadership positions with Freeport McMoRan Copper & Gold, Indonesia, starting as Manager, Underground Development, from 2004-2006; Vice President, Underground Operations, from 2006-2010 and finally as Senior Vice President, Underground Mines, from 2010-2012. From October 2002 to August 2004, he served as the area manager for Vulcan Materials Company, a leading producer of construction materials in the United States. From 1998-

2002, he was a Mine Superintendent with Stillwater Mining Company and as Plant Manager from 1992-1998 with J.M. Huber Corporation, a Texas based multinational supplier of engineered materials. From 1984-1992, he was with Homestake Mining Company which later merged into Barrick Gold Corporation in 2002. Starting as Corporate Management Trainee, a position he held from 1984-1986, he progressed to the position of a Mine Planning Engineer, a position he held from 1986-1988 and as a Mine Captain from 1988-1992. Mr. Osborne holds a Bachelor of Science Degree in Mine Engineering from the University of Arizona, Tucson, Arizona.

Una M. Power

Ms. Power is the former CFO and Senior Vice-President of Nexen Energy ULC, a former publicly-traded oil and gas company that is a wholly-owned subsidiary of CNOOC Limited. During her career with Nexen spanning 24 years, she held various positions in areas covering financial reporting, financial management, investor relations, business development, strategic planning and investment. From 2009 to 2011, she was SVP, Corporate Planning and Business Development; from 2002 – 2009, Treasurer; from 1998 – 2002, Controller; and, from 1997 – 1998, Manager, Investor Relations. Prior to joining Nexen Inc., Ms. Power was Senior Auditor with Deloitte & Touche from 1989 to 1992, and was staff auditor with Peat Marwick from 1987 to 1989. Ms. Power is a Chartered Professional Accountant, Chartered Accountant and a Chartered Financial Analyst. She has completed the Advanced Management Program at the Wharton Business School, United States and INSEAD, France.

J. Paul Rollinson

Mr. Rollinson was appointed to the Kinross Board and as Chief Executive Officer on August 1, 2012, and is currently President and Chief Executive Officer. He was appointed Executive Vice-President, Corporate Development in September 2009 after having joined Kinross as Executive Vice-President, New Investments, in September 2008. Prior to joining Kinross, Mr. Rollinson had a long career in investment banking spanning 17 years. From June 2001 to September 2008, he worked at Scotia Capital where his final position was Deputy Head of Investment Banking. During his time with Scotia, he was responsible for the mining, power/utilities, forestry and industrial sectors. From April 1998 to June 2001 he worked for Deutsche Bank AG, where his final position was Managing Director/Head of Americas for the mining group, and before that, from 1994 to April 1998 he was a senior member of the mining team at BMO Nesbitt Burns. Mr. Rollinson has an Honours BSc in Geology

from Laurentian University and an M. Eng. in Mining from McGill University.

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, 2018.

Name	Office Held
TONY S. GIARDINI Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer
GEOFFREY P. GOLD Toronto, Ontario, Canada	Executive Vice-President, Corporate Development, External Relations and Chief Legal Officer

Name	Office Held
GINA JARDINE Toronto, Ontario, Canada	Senior Vice-President, Human Resources
JOHN E. OLIVER Halifax, Nova Scotia, Canada	Independent Chairman
LAUREN ROBERTS Toronto, Ontario, Canada	Senior Vice-President and Chief Operating Officer
J. PAUL ROLLINSON Toronto, Ontario, Canada	President and Chief Executive Officer
PAUL TOMORY Port Credit, Ontario, Canada	Senior Vice-President and Chief Technical Officer

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

Tony S. Giardini was appointed as Executive Vice-President and Chief Financial Officer, effective December 1, 2012. Prior to joining Kinross, he was Senior Vice-President and Chief Financial Officer at Capstone Mining. From 2006 to 2012, Tony was Chief Financial Officer of Ivanhoe Mines, and also spent ten years at Placer Dome, where he held a series of positions, including Vice-President and Treasurer. Tony is a Chartered Professional Accountant, Chartered Accountant and a Certified Public Accountant and spent 12 years with the accounting firm KPMG, prior to joining Placer Dome.

Geoffrey P. Gold was appointed Executive Vice-President and Chief Legal Officer in February of 2008. Effective August of 2012, he assumed the role of Executive Vice-President, Corporate Development and from October of 2013 to April of 2015 he assumed the role of Executive Vice-President, Human Resources. He assumed the role of Executive Vice-President, Corporate Development, External Relations and Chief Legal Officer on January 1, 2016. Prior to February 2008, 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.

Gina Jardine was appointed as Senior Vice-President, Human Resources effective April 7, 2015. Prior to joining Kinross, she was most recently Vice-President, Human Resources for Rio Tinto's Diamonds and Minerals group, based in London. During her eight years at Rio Tinto, she also served as global HR executive for Rio's shared services group, supporting 65 countries and 57,000 employees. Ms. Jardine brings more than 20 years of experience to her role and has extensive experience in a range of HR functions, including integration, organizational design, and performance management and employee engagement. A native of Australia, she has a bachelor's degree in Psychology and a MBA from Melbourne Business School.

John E. Oliver see biographical information on page 95.

Lauren Roberts was appointed Chief Operating Officer effective January 1, 2017. He has more than 25 years of experience in the gold mining industry and was most recently Senior Vice-President, Corporate Development. He has been with Kinross since 2004, having held increasingly senior roles within the organization, including Senior Regional Vice-President of the Americas, the Company's largest operating region. Lauren previously worked at Barrick Gold Corporation and Hecla Mining Company. He completed his BSc in Mining Engineering with highest honours from the New Mexico Institute of Mining and Technology and is a Professional Engineer.

J. Paul Rollinson see biographical information on page 96.

Paul Tomory was appointed Chief Technical Officer effective January 1, 2017. He has been with Kinross since 2008 and was most recently Senior Vice-President, Operations Strategy and Project Development. He was previously at Bain & Company, focusing on mining and heavy industry, and at Golder Associates, where he worked on numerous mining and heavy civil works projects as a geotechnical engineer. He has a B.A.Sc. and a M.A.Sc. in Civil Engineering (Mining) from the University of Toronto, and an MBA from the Rotman School of Management, University of Toronto. He is a licensed Professional Engineer in the Province of Ontario.

As at March 28, 2018, the directors and executive officers of Kinross as a group owned, directly or indirectly, or exercised control or direction over 3,722,994 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.

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 AIF, 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 AIF, the notes to the Company's financial statements and its MD&A, since January 1, 2013, 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 1-800-564-6253.

MATERIAL CONTRACTS

Kinross Material Contracts

No material contracts were entered into by the Corporation within the financial year ended December 31, 2017 or before such time that are still in effect, other than in the ordinary course of business.

INTERESTS OF EXPERTS

The Company's independent auditors for fiscal 2017, KPMG LLP, have audited the consolidated financial statements of Kinross for the two years ended December 31, 2017. In connection with their audit, KPMG LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and under all relevant US professional and regulatory standards.

Mr. John Sims is the qualified person who supervised the preparation of the property descriptions contained herein and the Company's mineral reserve and mineral resource estimates as at December 31, 2017. Mr. Sims is an officer of the Company.

The expert 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 AIF, the members of the Company's Audit and Risk Committee are John Brough (Chairman), Ave Lethbridge, Una Power and Kerry D. Dyte. Each of Messrs. Brough and Dyte and Mses. Lethbridge and Power are independent and financially literate within the meaning of National Instrument 52-110 *Audit Committees* ("NI 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 NI 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. Each of Mr. Brough and Ms. Power 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 Professional Accountant, 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 Chairman of the Audit Committee of Silver Wheaton Corp., Lead Director and Chairman of the Audit Committee of First National Financial Corp. and a director and Chairman of the Audit Committee of CREIT.
Kerry D. Dyte	Mr. Dyte holds a Bachelor of Laws degree from the University of Alberta, Edmonton. He has completed the Director's Education Program from the Institute of Corporate Directors, Calgary. He practiced law from 1985 to 2015 with a particular focus on securities laws, including a secondment as legal counsel to the Ontario Securities Commission from 1987 to 1988, where he spent time in the Corporate Finance branch. Mr. Dyte was most recently Executive Vice-President, General Counsel and Corporate Secretary of Cenovus Energy Inc., and was responsible for the internal audit function at Cenovus Energy Inc. Prior thereto, Mr. Dyte was treasurer at Mobil Oil Canada Ltd. from 1997 to 2000.
Ave G. Lethbridge	Ms. Lethbridge holds a Master of Science degree in Organizational Development from the Pepperdine University, CA. She has completed the Directors' Education Program from the Rotman School of Management of the University of Toronto in 2011 and holds a designation from the Institute of Corporate Directors, (ICD) effective 2015. She completed the Strategic Organizational Change Program in 1998 and the Advanced Human Resources Management Program in 1996 from the University of Toronto, Rotman School of Business. She is a Certified Human

	Resources Executive (CHRE) since 2014 and Certified in Human Resources Management (CHRM) since 1994. She has also completed several financial literacy programs for executives and directors including courses from the Rotman School of Management of the University of Toronto and the Harvard Business School. Ms. Lethbridge also served on the board of governors of Georgian College. Ms. Lethbridge is currently Executive Vice-President and Chief Human Resources and Safety Officer of Toronto Hydro Corporation. During her 18 years with Toronto Hydro, she has held various leadership positions in areas encompassing environment, health and safety, corporate social responsibility, labour relations, workforce planning, talent management, succession planning and leadership development.

Una M. Power	Ms. Power is a Chartered Professional Accountant, Chartered Accountant and a Chartered Financial Analyst. She has completed the Advanced Management Program at the Wharton Business School, United States and INSEAD, France. Ms. Power is the former CFO and Senior Vice-President of Nexen Energy ULC., a former publicly-traded oil and gas company that is a wholly-owned subsidiary of CNOOC Limited. During her career with Nexen spanning 24 years, she held various positions in areas covering financial reporting, financial management, investor relations, business development, strategic planning and investment. From 2009 to 2011, she was SVP, Corporate Planning and Business Development; from 2002 — 2009, Treasurer; from 1998 — 2002, Controller; and, from 1997 — 1998, Manager, Investor Relations. Prior to joining Nexen Inc., Ms. Power was Senior Auditor with Deloitte & Touche from 1989 to 1992, and was staff auditor with Peat Marwick from 1987 to 1989.

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, 2017 were Cdn$4,372,000 (December 31, 2016 — Cdn$3,941,000).

Audit-Related Fees

The audit-related fees billed by the Company’s external auditors for the financial year ended December 31, 2017 were Cdn$160,000 (December 31, 2016 — Cdn$160,000), relating to translation services and pension plan audits.

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, 2017 were Cdn$55,000 (December 31, 2015 — Cdn$68,000).

All Other Fees

Cdn$11,000 was paid to the Company’s external auditors in the financial year ended December 31, 2017 under this caption (December 31, 2016 — Cdn$18,000).

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, 2017.

GLOSSARY OF TECHNICAL TERMS

adularia

A variety of orthoclase, in the feldspar group of minerals. A common mineral in granitic rocks.

alluvial mining

A method of extracting minerals by dredging alluvial (placer) deposits .

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.

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.

belt

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

boudins

Sausage-shaped segments of rock occurring in a boudinage structure. Boudinage occurs when tensional (stretching) forces act on layers of relatively hard rock surrounded by softer rock. 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-column or CIC

A process step wherein cyanide leaching solution passes through columns filled with ore.

carbon-in-leach or CIL

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.

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.

chlorite

A group of minerals with a flaky or scaly structure, green in colour and relatively soft.

core

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

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.

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

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.

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. Normal faults are formed by tensile stress, and have the hanging wall on the downthrown side of the fault. Reverse faults are formed by compressive stress, and have the hanging wall on the upthrown side of the fault.

felsic

A term applied to igneous rocks that contain a large proportion of light-coloured minerals such as quartz and feldspar.

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 layers.

foliation

Parallel orientation of play minerals or mineral banding in rocks.

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.

gold equivalent production

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

graben

A downthrown block of rock between two parallel faults.

grade

The amount of valuable metal in each tonne of material, 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 of ore, based on actual experience or laboratory testing.

granite

A light coloured, coarse grained, igneous rock .

gravity concentration 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 colour and foliation to abundant chlorite.

hanging wall

The fault block that lies above an inclined fault surface.

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.

HQ

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

igneous

A term applied to rock that formed by crystallizing from molten rock

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

A term applied to igneous rocks that contain a large proportion of dark-coloured minerals such as olivine and pyroxene.

Mesozoic

Era of geologic time from approximately 65 to 250 million years before present.

metamorphism

The process by which the form or structure of rocks is changed by heat and pressure. Metasedimentary, meta-igneous and metavolcanic refer to sedimentary, igneous and volcanic rocks that have undergone metamorphism.

mica

A group of minerals formed of elastic flakes and sheets, which can be colourless, white, yellow, green, brown, or black. Micas are common rock-forming minerals in igneous, metamorphic, and sedimentary rocks.

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.

net smelter return

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

NQ

A diamond drill core measuring 1.875 inches in diameter (4.76 centimetres).

olivine

A rock-forming mineral composed of silicon, oxygen and varying amounts of magnesium and iron.

open pit

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

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.

placer

A place where gold is obtained by the washing of materials: rocks, boulders, sand, clay, etc. containing gold or other valuable minerals. These are deposits of valuable minerals that are found in the form of dust, flakes, grains, and nuggets.

porphyry

An igneous rock in which relatively large crystals, called phenocrysts, are surrounded by fine mineral grains.

pyrite

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

pyroxene

A group of rock-forming minerals consisting of silicon, oxygen and varying amounts of other elements such as iron, magnesium, calcium and sodium.

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 recognized under National Instrument 43-101.

quartz

Common rock-forming mineral consisting of silicon and oxygen.

quartzite

A metamorphic rock composed mainly of quartz and typically formed from sandstone, a type of sedimentary rock.

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

Ore in its unprocessed state after it is mined.

reusable pad

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 placed on the pad.

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 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.

shear zone

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

sphalerite

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

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.

vein

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

volcanic

A collective term for igneous rocks that formed from eruptions of liquid rock onto the surface or from particles of rock that were ejected into the atmosphere.

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 the 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 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 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 meeting of the Board of Directors held closest to 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.
- Reviewing the objectivity and professional skepticism of the independent auditors, the sufficiency of resources provided by the independent auditors and the integrity and candour of communications with the independent auditors.
- Reviewing the performance of the independent auditors, including assessing their effectiveness and quality of service, annually and, every 5 years, performing a comprehensive review of the performance of the independent auditors over multiple years to provide further insight on the audit firm, its independence and application of professional skepticism.
- Requiring the external auditors to provide the Committee with all reports: (i) 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; or (ii) are otherwise issued by such bodies which contain material findings respecting the quality of audits conducted by the independent 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;

    - tax services to any person in a financial reporting oversight role, or an immediate family member of any such person, unless the person is in that role solely because he or she is a Kinross director;
    - services related to marketing, planning or opinions in favour of the tax treatment of transactions that are confidential transactions under the United States or Canadian tax laws or transactions that would be considered aggressive tax position transactions; 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.

- Review and approve in advance any proposed related-party transactions and required disclosures of such in accordance with applicable securities laws and regulations, and report to the Board on any approved transactions.

- 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 Auditing Standard No. 16 (*Communications with Audit Committee*), 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 auditors' 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 inquiries 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 independent 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; (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 Ethics and Independence Rule 3526 (*Communication with Audit Committees Concerning Independence*); and (iv) the independent auditors' responsiveness and service levels.
- 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 the interrelationships and potential compounding effects of such risks. Assessing the steps management has taken to minimize such risks in light of Kinross' risk tolerance.

- Assessing Kinross' risk tolerance, 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.
- Review Kinross' privacy and data security risk exposures and measures taken to protect the security and integrity of its management information systems and Company data.

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 "A"

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, cannot 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 compensatory 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 (either directly or as a partner, shareholder or officer of an organization that has a 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.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2017

This management's discussion and analysis ("MD&A"), prepared as of February 14, 2018, relates to the financial condition and results of operations of Kinross Gold Corporation together with its wholly owned subsidiaries, as at December 31, 2017 and for the year then ended, and is intended to supplement and complement Kinross Gold Corporation's audited annual consolidated financial statements for the year ended December 31, 2017 and the notes thereto (the "financial statements"). Readers are cautioned that the MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, 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 financial statements for 2017 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 financial statements and MD&A are presented in U.S. dollars. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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, 2017, as well as our outlook.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in "Risk Analysis" and in the "Cautionary Statement on Forward-Looking Information" on pages 58 — 59 of this MD&A. For additional discussion of risk factors please refer to the Company's Annual Information Form for the year ended December 31, 2016, which is available on the Company's website www.kinross.com and on www.sedar.com. In certain instances, references are made to relevant notes in the 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 the United States, the Russian Federation, Brazil, Chile, Ghana, Mauritania, and Canada. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a quantity 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 be volatile as economies around the world continue to experience economic challenges. 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 Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi, and Canadian dollar, may have an impact on the Company's operating costs and capital expenditures.

Segment Profile

Each of the Company's significant operating mines is generally considered to be a separate segment. The reportable segments are those operations whose operating results are reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

			Ownership percentage at December 31,	
Operating Segments	**Operator**	**Location**	**2017**	**2016**
Fort Knox	Kinross	USA	100%	100%
Round Mountain	Kinross	USA	100%	100%
Bald Mountain	Kinross	USA	100%	100%
Kettle River-Buckhorn	Kinross	USA	100%	100%
Kupol[(a)]	Kinross	Russian Federation	100%	100%
Paracatu	Kinross	Brazil	100%	100%
Maricunga	Kinross	Chile	100%	100%
Tasiast	Kinross	Mauritania	100%	100%
Chirano	Kinross	Ghana	90%	90%

(a) The Kupol segment includes the Kupol and Dvoinoye mines.

Consolidated Financial and Operating Highlights

	Years ended December 31,			2017 vs. 2016		2016 vs. 2015	
(in millions, except ounces, per share amounts and per ounce amounts)	**2017**	**2016**	**2015**	**Change**	**% Change [(e)]**	**Change**	**% Change[(e)]**

Operating Highlights							
Total gold equivalent ounces [a]							
Produced [c]	**2,698,136**	2,810,345	2,620,262	**(112,209)**	**(4)%**	190,083	7%
Sold [c]	**2,621,875**	2,778,902	2,634,867	**(157,027)**	**(6)%**	144,035	5%
Attributable gold equivalent ounces [a]							
Produced [c]	**2,673,533**	2,789,150	2,594,652	**(115,617)**	**(4)%**	194,498	7%
Sold [c]	**2,596,754**	2,758,306	2,608,870	**(161,552)**	**(6)%**	149,436	6%
Financial Highlights							
Metal sales	**$ 3,303.0**	$ 3,472.0	$ 3,052.2	**$ (169.0)**	**(5)%**	$ 419.8	14%
Production cost of sales	**$ 1,757.4**	$ 1,983.8	$ 1,834.8	**$ (226.4)**	**(11)%**	$ 149.0	8%
Depreciation, depletion and amortization	**$ 819.4**	$ 855.0	$ 897.7	**$ (35.6)**	**(4)%**	$ (42.7)	(5)%
Impairment, net of reversals	**$ 21.5**	$ 139.6	$ 699.0	**$ (118.1)**	**(85)%**	$ (559.4)	(80)%
Operating earnings (loss)	**$ 336.5**	$ 46.3	$ (742.9)	**$ 290.2**	**nm**	$ 789.2	106%
Net earnings (loss) attributable to common shareholders	**$ 445.4**	$ (104.0)	$ (984.5)	**$ 549.4**	**nm**	$ 880.5	89%
Basic earnings (loss) per share attributable to common shareholders	**$ 0.36**	$ (0.08)	$ (0.86)	**$ 0.44**	**nm**	$ 0.78	91%
Diluted earnings (loss) per share attributable to common shareholders	**$ 0.35**	$ (0.08)	$ (0.86)	**$ 0.43**	**nm**	$ 0.78	91%
Adjusted net earnings (loss) attributable to common shareholders[b]	**$ 178.7**	$ 93.0	$ (91.0)	**$ 85.7**	**92%**	$ 184.0	nm
Adjusted net earnings (loss) per share [b]	**$ 0.14**	$ 0.08	$ (0.08)	**$ 0.06**	**75%**	$ 0.16	nm
Net cash flow provided from operating activities	**$ 951.6**	$ 1,099.2	$ 831.6	**$ (147.6)**	**(13)%**	$ 267.6	32%
Adjusted operating cash flow [b]	**$ 1,166.7**	$ 926.7	$ 786.6	**$ 240.0**	**26%**	$ 140.1	18%
Capital expenditures	**$ 897.6**	$ 633.8	$ 610.0	**$ 263.8**	**42%**	$ 23.8	4%
Average realized gold price per ounce [d]	**$ 1,260**	$ 1,249	$ 1,159	**$ 11**	**1%**	$ 90	8%
Consolidated production cost of sales per equivalent ounce[c] sold[b]	**$ 670**	$ 714	$ 696	**$ (44)**	**(6)%**	$ 18	3%
Attributable[a] production cost of sales per equivalent ounce [c] sold[b]	**$ 669**	$ 712	$ 696	**$ (43)**	**(6)%**	$ 16	2%
Attributable[a] production cost of sales per ounce sold on a by-product basis[b]	**$ 653**	$ 696	$ 684	**$ (43)**	**(6)%**	$ 12	2%
Attributable[a] all-in sustaining cost per ounce sold on a by-product basis[b]	**$ 946**	$ 975	$ 971	**$ (29)**	**(3)%**	$ 4	0%
Attributable[a] all-in sustaining cost per equivalent ounce [c] sold [b]	**$ 954**	$ 984	$ 975	**$ (30)**	**(3)%**	$ 9	1%
Attributable[a] all-in cost per ounce sold on a by-product basis[b]	**$ 1,164**	$ 1,073	$ 1,047	**$ 91**	**8%**	$ 26	2%
Attributable[a] all-in cost per equivalent ounce [c] sold [b]	**$ 1,166**	$ 1,079	$ 1,049	**$ 87**	**8%**	$ 30	3%

(a) "Total" includes 100% of Chirano production. "Attributable" includes Kinross' share of Chirano (90%) production.
(b) The definition and reconciliation of these non-GAAP financial measures are included in Section 11 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 period. The ratio for 2017 was 73.72:1 (2016 - 72.95:1 and 2015 - 73.92:1).
(d) Average realized gold price is a non-GAAP financial measure and is defined in Section 11 of this document.
(e) "nm" means not meaningful.

Consolidated Financial Performance

2017 vs. 2016

Kinross' attributable production decreased by 4% compared with 2016, primarily due to a decrease in production at Kupol due to lower grades, at Paracatu due to a temporary curtailment as a result of lower than average rainfall in the area, and at Maricunga due to the suspension of mining and crushing activities in 2016. These decreases were offset by higher production at Bald Mountain as a result of more ounces recovered from the heap leach pads and higher grades, as well as at Round Mountain and Tasiast due to higher grades.

Metal sales decreased by 5% in 2017 compared with 2016 due to a decrease in gold equivalent ounces sold, slightly offset by an increase in average metal prices realized. The average realized gold price increased to $1,260 per ounce in 2017 from $1,249 per ounce in 2016. Gold equivalent ounces sold in 2017 decreased to 2,621,875 ounces from 2,778,902 ounces in 2016, primarily due to the decrease in production as described above.

Production cost of sales decreased by 11% compared with 2016, primarily due to the decrease in gold equivalent ounces sold as described above, as well as a decrease in operating waste mined at Fort Knox. These decreases were partially offset by higher production cost of sales at Bald Mountain due to an increase in gold equivalent ounces sold. The decrease in production cost of sales resulted in a 6% decrease in attributable production cost of sales per equivalent ounce sold compared with 2016.

During 2017, depreciation, depletion and amortization decreased by 4% compared with 2016, primarily due to the decrease in gold equivalent

ounces sold at Kupol, Paracatu and Maricunga. This decrease was slightly offset by an increase in depreciation, depletion and amortization at Bald Mountain and Round Mountain due to an increase in gold equivalent ounces sold, as well as at Chirano due to an increase in gold equivalent ounces sold and a decrease in the mineral reserves as at December 31, 2016.

At December 31, 2017, upon completion of its annual assessment of the carrying value of its Cash Generating Units ("CGUs"), the Company recorded a net, after-tax, impairment reversal of $62.1 million. The impairment reversal was entirely related to property, plant and equipment and included after-tax impairment reversals at Tasiast and Fort Knox of $142.9 million and $86.2 million, respectively, partially offset by an after-tax impairment charge at Paracatu of $167.0 million. The impairment reversals at Tasiast and Fort Knox were mainly due to an increase in the Company's short-term and long-term gold price estimates, as well as Tasiast Phase Two progressing as planned and additions to Fort Knox's mineral reserve estimates. The impairment charge at Paracatu was mainly a result of changes in the fiscal regime in Brazil that were considered in the cash flow analysis used to assess its recoverable amount. The impairment charge at Paracatu is net of a tax recovery of $86.0 million and the impairment reversal at Fort Knox is net of a tax expense of $2.4 million. There was no tax impact on the impairment reversal at Tasiast. During 2016, the Company recorded impairment charges at Maricunga of $68.3 million against property, plant and equipment and $71.3 million against metals and supplies inventory as a result of the suspension of mining and crushing activities during the year.

Operating earnings increased to $336.5 million in 2017 from $46.3 million in 2016. The change in operating earnings was primarily due to lower impairment charges as well as increased margins (metal sales less production cost of sales).

On March 28, 2017, the Company announced that it had entered into an agreement with Goldcorp Inc. ("Goldcorp") to sell its 25% interest in the Cerro Casale project and its 100% interest in the Quebrada Seca exploration project in Chile. In connection with the sale, the Company recorded a reversal of previously recorded impairment charges of $97.0 million during the three months ended March 31, 2017 within other income (expense). On June 9, 2017, the Company completed the sale and recognized a gain on disposition of $12.7 million in other income (expense).

On May 18, 2017, the Company entered into an agreement with White Gold Corp. to sell its 100% interest in the White Gold exploration project in the Yukon Territory. On June 14, 2017, the Company completed the sale and recognized a loss on disposition of $1.7 million in other income (expense).

On September 18, 2017, the Company entered into an agreement with Integra Resources Corp. ("Integra") to sell its 100% interest in the DeLamar reclamation property ("DeLamar"). On November 3, 2017, the Company completed the sale and recognized a gain on disposition of $44.2 million in other income (expense).

During 2017, net earnings attributable to common shareholders were $445.4 million, or $0.36 per share, compared with a net loss attributable to common shareholders of $104.0 million, or $0.08 per share, in 2016. The change was primarily a result of the increase in operating earnings, the impairment reversal recorded in relation to the sale of Cerro Casale, and gains recognized upon disposition of DeLamar, Cerro Casale and Quebrada Seca, as described above. In addition, an income tax recovery of $23.2 million was recorded

in 2017, compared with an income tax expense of $49.6 million in 2016. The $23.2 million income tax recovery recognized in 2017 includes a net tax recovery of $83.6 million related to the impairment charge at Paracatu and the impairment reversal at Fort Knox, and an estimated net benefit of $93.4 million due to the enactment of U.S. Tax Reform legislation on December 22, 2017. The estimated net benefit includes a benefit of $124.4 million in respect of the collectability of the Alternative Minimum Tax ("AMT") credit, which is partially offset by the write-down of net deferred tax assets to reflect the reduction in the U.S. corporate tax rate from 35% to 21% beginning January 1, 2018. Further guidance on the implementation and application of the U.S. Tax Reform legislation will be forthcoming in regulations to be issued by the Department of Treasury, legislation or guidance from the states in which the Company operates and directions from the Office of Management and Budget. Such legislation, regulations, directions and additional guidance may require changes to the estimated net benefit recorded and the impact of such changes will be accounted for in the period in which the legislation, regulations, directions, and additional guidance are enacted or released by the relevant authorities. The $49.6 million income tax expense recognized in 2016 included a $65.1 million recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuations in foreign exchange rates with respect to the Brazilian real and the Russian rouble, $32.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016 and a tax benefit of $27.7 million realized by the Company as a result of the acquisition of Bald Mountain and the remaining 50% of Round Mountain. In addition, tax expense decreased due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for 2017 was 26.5% (2016 — 26.5%).

Adjusted net earnings attributable to common shareholders was $178.7 million, or $0.14 per share, for 2017 compared with adjusted net earnings attributable to common shareholders of $93.0 million, or $0.08 per share, in 2016. The increase in adjusted net earnings was mainly due to the increase in margins described above.

During 2017, net cash flow provided from operating activities decreased to $951.6 million from $1,099.2 million in 2016 primarily due to less favourable working capital movements and higher taxes paid, partially offset by higher margins. Adjusted operating cash flow increased to $1,166.7 million from $926.7 million in 2016, primarily due to the increase in margins.

Capital expenditures increased by 42% in 2017 compared with 2016, primarily due to increased spending at Tasiast, Bald Mountain and Fort Knox, offset by lower spending at Kupol.

During 2017, attributable all-in sustaining cost per equivalent ounce sold and per ounce sold on a by-product basis decreased from 2016 largely due to lower production cost of sales. Attributable all-in cost per equivalent ounce sold and per ounce sold on a by-product basis increased compared with 2016, primarily due to an increase in non-sustaining capital expenditures.

2016 vs. 2015

Kinross' attributable production increased by 7% compared with 2015, primarily due to the acquisition of Bald Mountain and the remaining 50% of Round Mountain. These increases were partially offset by lower production at Chirano due to a decrease in grades, at Tasiast due to lower

recovery from the dump leach pads and the six week temporary suspension of operations, and at Maricunga as a result of the suspension of mining activities in 2016.

Metal sales increased by 14% in 2016 compared with 2015 due to an increase in metal prices realized and gold equivalent ounces sold. The average realized gold price increased to $1,249 per ounce in 2016 from $1,159 per ounce in 2015. Gold equivalent ounces sold in 2016 increased to 2,778,902 ounces from 2,634,867 ounces in 2015, primarily due to the increase in production described above.

Production cost of sales increased by 8% compared with 2015, primarily due to the increase in gold equivalent ounces sold as described above, as well as an increase in operating waste mined at Fort Knox, partially offset by lower costs at Maricunga, Tasiast and Kupol due to decreases in gold equivalent ounces sold, lower fuel and labour costs at Kupol, and favourable foreign exchange movements at Paracatu resulting from the effectiveness of the Company's hedge program. The increase in production cost of sales resulted in higher attributable production cost of sales per equivalent ounce sold compared with 2015.

During 2016, depreciation, depletion and amortization decreased by 5% compared with 2015, primarily due to a decrease in the depreciable asset base at Fort Knox and Kupol. Additionally, depreciation was lower at Chirano related to an increase in mineral reserves at December 31, 2015 and a decrease in gold equivalent ounces sold. The decreases were partially offset by an increase in the depreciable asset base as a result of the acquisition of Bald Mountain and the remaining 50% of Round Mountain.

At September 30, 2016, the Company identified the suspension of mining at Maricunga as an indication of impairment and performed an impairment assessment to determine the recoverable amount of the Maricunga CGU. As the recoverable amount was lower than the carrying amount, an impairment charge of $68.3 million was recorded against property, plant and equipment. The Company also recorded an inventory impairment charge of $71.3 million related to metals and supplies inventory as a result of the suspension.

During 2015, the Company recorded after-tax impairment charges of $430.2 million related to property plant and equipment, and impairment charges of $259.5 million related to inventory and other assets.

Operating earnings increased to $46.3 million in 2016 from an operating loss of $742.9 million in the same period of 2015. The change in earnings was primarily due to lower impairment charges as well as increased margins (metal sales less production cost of sales).

During 2016, net loss attributable to common shareholders was $104.0 million, or $0.08 per share, compared with a net loss attributable to common shareholders of $984.5 million, or $0.86 per share, in 2015. The change was primarily a result of the increase in operating earnings described above. In addition, an income tax expense of $49.6 million was recorded in 2016, compared with an income tax expense of $141.7 million in 2015. The $49.6 million income tax expense recognized in 2016 included a $65.1 million recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuations in foreign exchange rates with respect to the Brazilian real and the Russian rouble, $32.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016 and a tax benefit of $27.7 million realized by the Company as a result of the acquisition of Bald Mountain and the remaining 50% of Round Mountain. The $141.7 million tax expense in 2015 included a $30.3 million recovery due to impairment charges and $132.9 million of expense due to re-measurements of deferred tax assets and liabilities, as a result of significant fluctuations in foreign exchange rates with respect to the Brazilian real and the Russian rouble. In addition, tax expense decreased due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for 2016 was 26.5% (2015 — 26.5%).

Adjusted net earnings attributable to common shareholders was $93.0 million, or $0.08 per share, for 2016 compared with adjusted net loss attributable to common shareholders of $91.0 million, or $0.08 per share, in 2015. The increase in adjusted net earnings was mainly due to the increase in margins described above.

During 2016, net cash flow provided from operating activities increased to $1,099.2 million from $831.6 million in 2015 and adjusted operating cash flow increased to $926.7 million from $786.6 million in 2015, both primarily due to the increase in margins.

Capital expenditures increased by 4% in 2016 compared with 2015, primarily due to increased spending resulting from the acquisition of Bald Mountain and the remaining 50% of Round Mountain as well as at Kupol, Tasiast and Chirano, partially offset by lower spending at Fort Knox, Maricunga and the Corporate and other segment.

During 2016, attributable all-in sustaining cost per equivalent ounce sold and per ounce sold on a by-product basis remained comparable with 2015. Attributable all-in cost per equivalent ounce sold and per ounce sold on a by-product basis increased compared with 2015, primarily due to an increase in non-sustaining capital and reclamation expenditures.

Mineral Reserves[1]

Kinross' total estimated proven and probable gold reserves at year-end 2017 were approximately 25.9 million ounces. The decrease of 5.1 million ounces in estimated gold reserves compared to year-end 2016 was mainly a result of the sale of Cerro Casale, which accounted for 5.8 million ounces in estimated mineral reserves.

Proven and probable silver reserves at year-end 2017 were estimated at approximately 52.6 million ounces, a net decrease of 15.2 million ounces compared with year-end 2016, primarily due to the sale of Cerro Casale, which accounted for 14.7 million silver ounces.

(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 news release filed with Canadian and U.S. regulators on February 14, 2018.

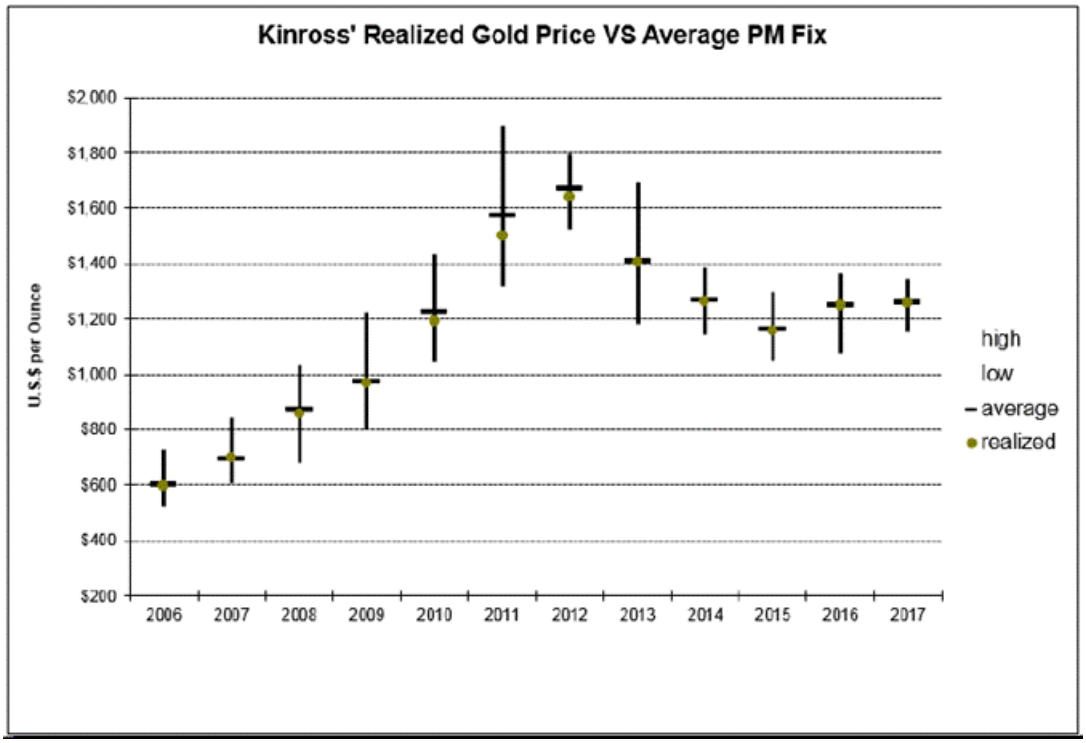
2. IMPACT OF KEY ECONOMIC TRENDS

Price of Gold



Source: Bloomberg

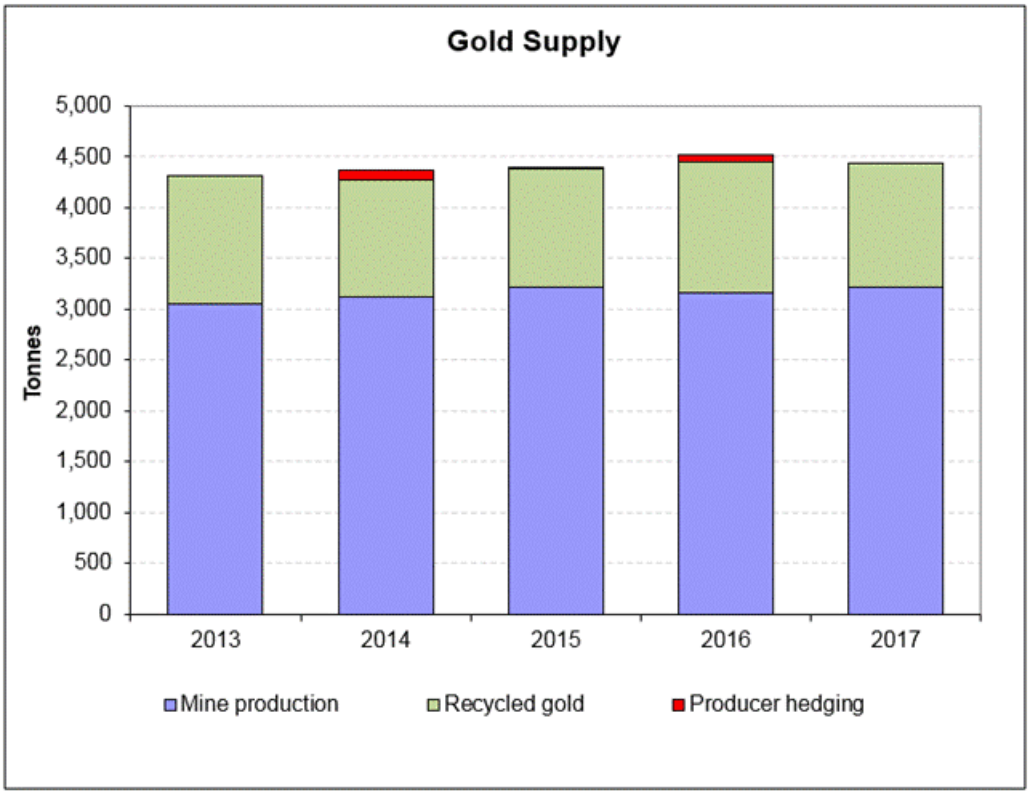
The price of gold is the largest single factor in determining profitability and cash flow from operations, therefore, the financial performance of the Company has been, and is expected to be closely linked to the price of gold. Historically, the price of gold has been subject to volatile price movements 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 2017, the price of gold fluctuated between a low of $1,150 per ounce in January to a high of $1,358 per ounce in September. The average price for the year based on the London Bullion Market Association PM Fix was $1,257 per ounce, a $6 per ounce increase over the 2016 average price of $1,251 per ounce. Major influences on the gold price in 2017 included the weakening of the U.S. dollar, negative interest rate policies in Japan and Europe and strong equity markets. Gold weakened with the U.S. Federal Reserve raising interest rates by 75 basis points but rebounded after the interest rate announcements. Investors buying gold exchange-traded funds ("ETF") increased during 2017. In 2017, gold ETF holdings increased throughout the year, ending the year near the 2016 peak holdings. Gold was also impacted by the continued uncertainty over Brexit and the political climate in the U.S.



Source: London Bullion Marketing Association London PM Fix
[1] Average realized gold price is a non-GAAP financial measure and is defined in Section 11 of this document.

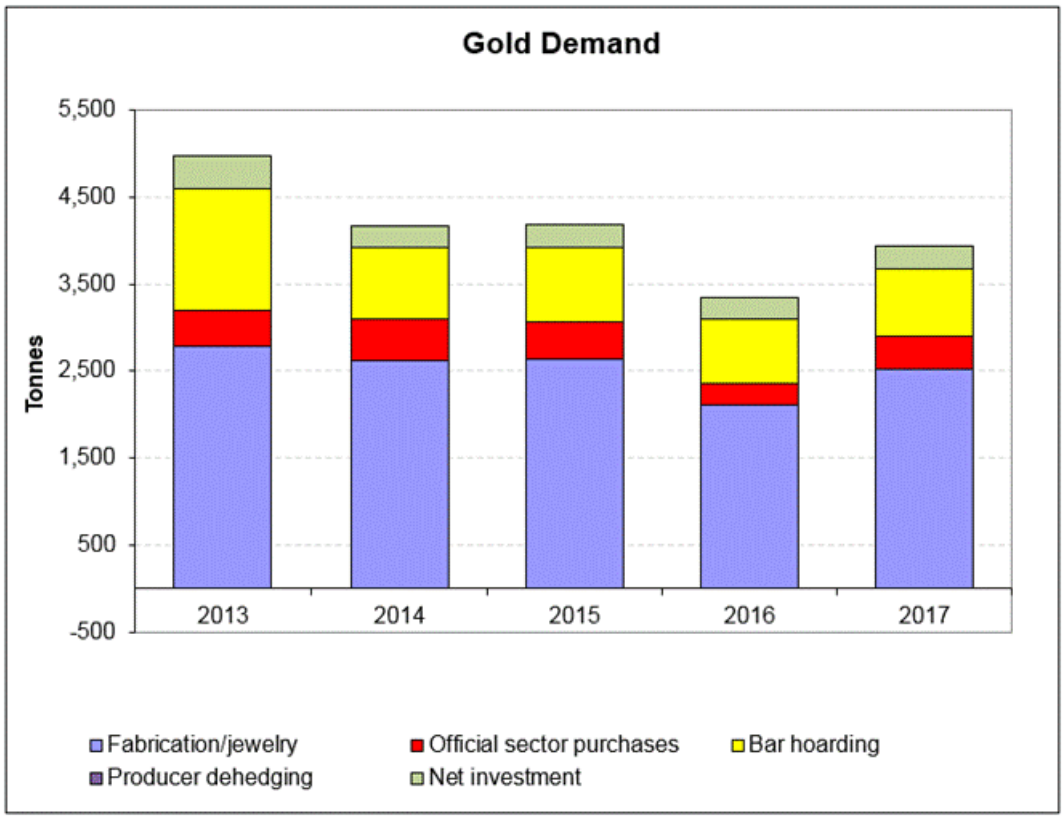
During 2017, the Company realized an average gold price of $ 1,260 per ounce compared to the average PM Fix of $1,257 per ounce.

Gold Supply and Demand Fundamentals



Source: GFMS Gold Survey 2017 Q4 Update

Total gold supply decreased by approximately 2.6% in 2017 relative to 2016, largely due to an increase in producer hedging. Global gold mine production increased by 1.5% offset by a decrease of 4.2% in supply of recycled gold. Mine production and recycled gold remain the dominant sources of gold supply, and in 2017 they represented approximately 70% and 28% of total supply, respectively. Central banks have not been a source of supply to the market, but have rather been net buyers, as noted below.

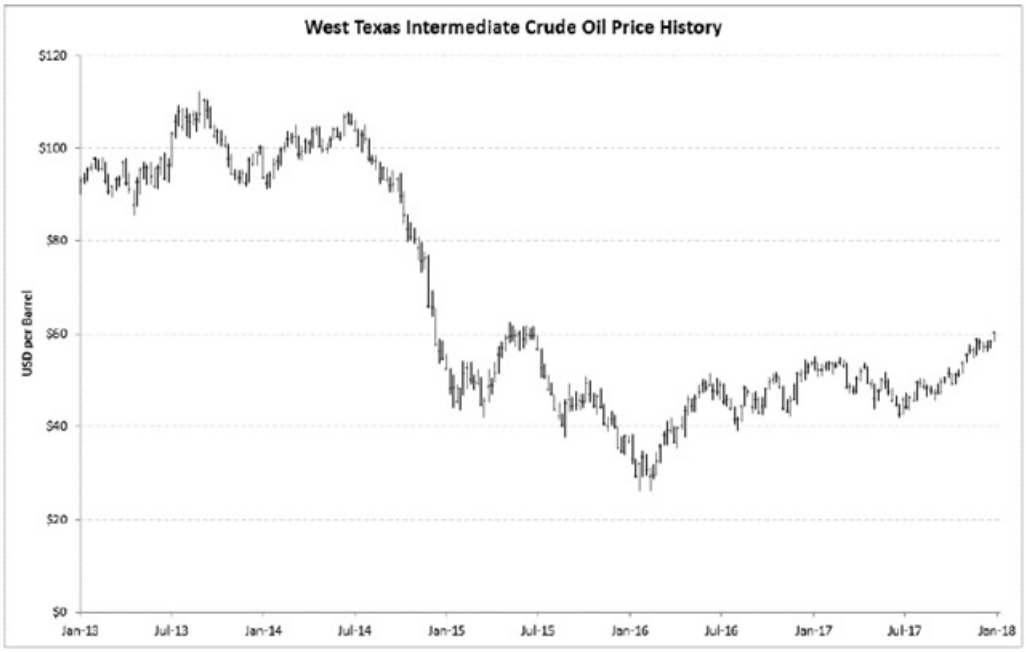


Source: GFMS 2017 Gold Survey Q4 Update

Physical demand rebounded from a seven year low and increased by approximately 17% in 2017 relative to 2016. Fabrication demand is estimated to have increased by 19% in 2017 relative to 2016, mainly due to higher demand in China and India. Bar hoarding increased by approximately 6% in 2017. Purchases from central banks increased by 36% during the year, due to purchases from Russia and Turkey.

Cost Sensitivity

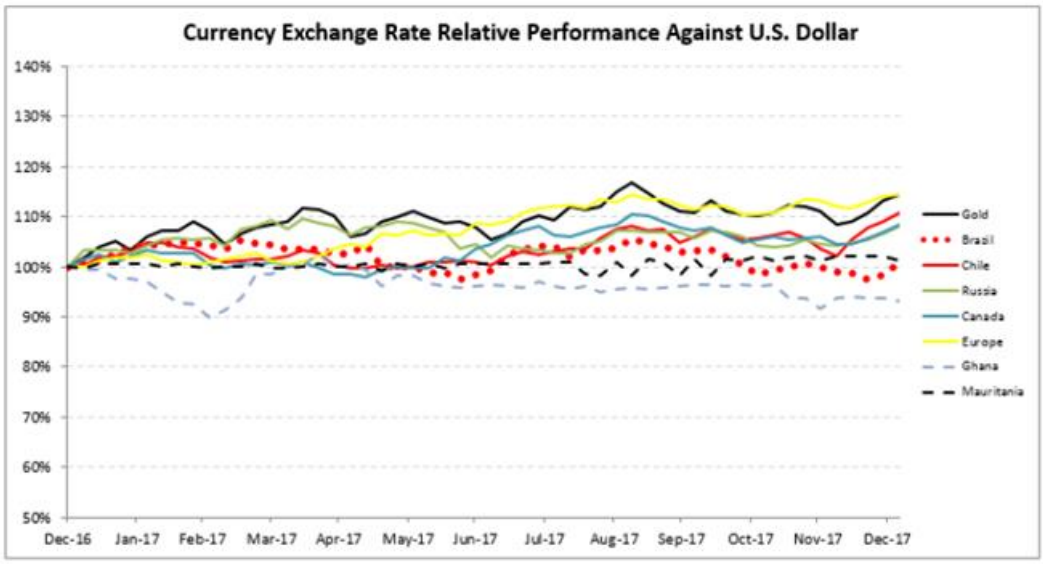
The Company's profitability is subject to industry wide cost pressures on development and operating costs with respect to labour, energy, capital expenditures and consumables in general. Since mining is generally an energy intensive activity, especially in open pit mining, energy prices can have a significant impact on operations. The cost of fuel as a percentage of operating costs varies amongst the Company's mines, and overall, operations have experienced fuel price increases in the second half of 2017, reflecting OPEC's decision to continue production cuts and increased global demand. Kinross manages its exposure to energy costs by entering, from time to time, into various hedge positions — refer to Section 6 Liquidity and Capital Resources for details.



Source: Bloomberg

In order to mitigate the impact of higher consumable prices, the Company continues to focus on continuous improvement, both by promoting more efficient use of materials and supplies, and by pursuing more advantageous pricing, whilst increasing performance and without compromising operational integrity.

Currency Fluctuations



Source: Bloomberg

At the Company's non-U.S. mining operations and exploration activities, which are primarily located in Brazil, Chile, 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 61% of the Company's expected attributable production in 2018 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 10 — Risk Analysis.

Operational Outlook

In 2018, Kinross expects to produce 2.5 million gold equivalent ounces (+/- 5%) from its operations and expects to be at or slightly above the same level of production over the next three years. The forecast decrease compared with full-year 2017 production is mainly a result of mine sequencing at several operations, including anticipated lower grades at Kupol and Dvoinoye, the closure of Kettle River-Buckhorn and the suspension of mining at Maricunga, partially offset by an expected production increase in the West Africa region. The production guidance has taken into consideration the potential for a temporary curtailment of mill operations at Paracatu due to the possibility of seasonal rainfall shortages in the area. Production is expected to be higher in the second half of 2018 than the first half mainly as a result of expected production from the Tasiast Phase One expansion.

Production cost of sales per gold equivalent ounce is expected to be $730 (+/- 5%) for 2018. The expected increase for 2018 compared with full-year 2017 production cost of sales per ounce is mainly as a result of mine sequencing, with anticipated lower grades at Dvoinoye and Round Mountain and an increase in operating waste mined at Fort Knox and Tasiast. Kinross expects production cost of sales per gold equivalent ounce to decline slightly in 2019 and 2020 as lower cost production comes online.

The Company has forecast an all-in sustaining cost of $975 (+/- 5%) per ounce sold on both a gold equivalent and by-product basis for 2018, which is largely in line with full-year 2017 all-in sustaining cost per ounce.

Material assumptions used to forecast 2018 production costs are: a gold price of $1,200 per ounce, a silver price of $16 per ounce, an oil price of $55 per barrel, and foreign exchange rates of 3.25 Brazilian reais to the U.S. dollar, 1.25 Canadian dollars to the U.S. dollar, 60 Russian roubles to the U.S. dollar, 650 Chilean pesos to the U.S. dollar, 4.00 Ghanaian cedi to the U.S. dollar, 33 Mauritanian ouguiya to the U.S. dollar, and 1.10 U.S. dollars to the Euro. Taking into account existing currency and oil hedges, a 10% change in foreign currency exchange rates would be expected to result in an approximate $17 impact on our production cost of sales per ounce, and specific to the Russian rouble and Brazilian real, a 10% change in the exchange rates would be expected to result in an impact of approximately $19 and $38 on Russian and Brazilian production cost of sales per ounce, respectively. A $10 per barrel change in the price of oil would be expected to result in an approximate $3 impact on our production cost of sales per ounce, and a $100 change in the price of gold would be expected to result in an approximate $4 impact on our production cost of sales per ounce as a result of a change in royalties.

Total capital expenditures for 2018 are forecast to be approximately $1,075 million (+/- 5%) (including capitalized interest of approximately $40 million). Of this amount, sustaining capital expenditures are expected to be approximately $355 million, and non-sustaining capital of approximately $680 million for the Tasiast expansion project, the Round Mountain Phase W project, and other development projects and studies.

The 2018 forecast for exploration is approximately $75 million, none of which is expected to be capitalized, with 2018 overhead (general and administrative and business development expenses) forecast to be approximately $165 million, both of which are consistent with last year's guidance.

Other operating costs expected to be incurred in 2018 are approximately $100 million, which includes approximately $50 million of care and maintenance costs in Chile.

Based on our assumed gold price and other inputs, net income tax expense is expected to be $ 35 million and taxes paid are expected to be $70 million, with the expense increasing at 15% of any profit resulting from higher gold prices and taxes paid increasing at a lower rate of 7% as a result of the realization of the U.S. AMT credit.

Depreciation, depletion and amortization is forecast to be approximately $300 per gold equivalent ounce.

4. PROJECT UPDATES AND NEW DEVELOPMENTS

Tasiast Phase One and Phase Two expansion

The Tasiast Phase One project development is progressing well, and continues to be on time and on budget, with full commercial production expected by the end of June. Plant construction is now 93% complete and the remaining work is now focused on electrical, instrumentation and controls installations. Mechanical installation of the primary crusher, conveyor, stockpile and carbon-in-leach ("CIL") plant modifications, which includes the cyclones, three leach tanks and elution circuit, are now substantially complete. Commissioning of the primary crusher and CIL plant is expected to begin in late February, and the SAG mill in April.

The Tasiast Phase Two project is proceeding on schedule, as Phase One nears completion. Project and construction teams are expected to transition from Phase One to Phase Two development to establish continuity between projects. Overall engineering is now 33% complete and procurement is progressing well, with the power plant and EPCM contracts now awarded. Early works for the ball mill and power plant are expected to commence in the second quarter of 2018. Phase Two is expected to begin commercial production in the third quarter of 2020.

The Company is considering an asset level financing for Tasiast and has initiated discussions to better understand the level of interest from potential primary lenders. Once initial feedback has been received, the Company will decide whether to proceed and identify additional potential lenders in order to complete the financing. Also in connection with Tasiast, the Company has completed a political risk insurance policy agreement with the Multilateral Investment Guarantee Agency, a member of the World Bank.

Bald Mountain Vantage Complex

The Vantage Complex project is proceeding on schedule, with initial construction work now well underway and engineering more than 80% complete. Permitting is proceeding as planned and contractors for more than half the scope of the project work have been selected. Commissioning for the proposed heap leach pad and processing facilities is expected to commence in the first quarter of 2019.

Moroshka project

At the Moroshka satellite deposit in Russia, located approximately four kilometres east of Kupol, development of the twin declines continues to proceed on schedule and on budget. Mining of high-grade ore at Moroshka is expected to commence in the second half of 2018 for processing in the Kupol mill.

Round Mountain Phase W

Stripping, initial construction and site preparation activities commenced ahead of schedule in late 2017 after the receipt of the Decision Record and other approvals from the U.S. Bureau of Land Management. The construction management team for Phase W has been mobilized to site and earthworks have begun in the project area. Detailed engineering is progressing on schedule, with heap leach engineering complete and mine infrastructure and processing facility engineering approximately 50% complete. Procurement activities are underway for critical long lead items and tracking according to plan. State permitting is proceeding as planned, with all major permits now received. The Phase W project remains on schedule, with initial low grade ore expected to be encountered in mid-2019.

Fort Knox Gilmore

Permitting activities have commenced and feasibility study activities are ongoing for the Gilmore project. The feasibility study, which is expected to be completed in mid-2018, is assessing a multi-phase layback of the Fort Knox pit and the construction of a new heap leach pad. The Company gained mineral rights to the Gilmore land, which is located immediately west of the Fort Knox pit, on December 12, 2017. As a result, the Company added 2.1 million gold ounces in estimated measured and indicated resources and 300,000 ounces in estimated inferred resources. This was offset by a conversion of 254,000 ounces of mineral resources to mineral reserves, for a net addition of 1.8 million ounces to measured and indicated resource estimates. An additional 199,000 ounces was added to estimated inferred resources from exploration and engineering for a total increase of 499,000 ounces to inferred resource estimates.

Tasiast Sud project

The Tasiast Sud pre-feasibility study (“PFS”) is proceeding as planned and is expected to be completed in the second half of 2018. The PFS is contemplating a potential dump leach operation that would combine materials from multiple deposits in the area, and the trucking of high grade ore to the Tasiast mill, located approximately 10 kilometres north of the project. The Company added approximately 820,000 ounces to inferred mineral resource estimates at Tasiast Sud in 2017.

La Coipa restart project

Compania Minera Mantos de Oro (“MDO”), a subsidiary of the Company, currently holds a 50% ownership interest in the Phase 7 deposit through its 50% ownership of Minera La Coipa (“MLC”), with the remaining 50% held by Salmones de Chile Alimentos S.A. (“SDCA”). Pursuant to an agreement signed on February 2, 2018, MDO, MLC and SDCA have agreed, among other things, to spin out the Phase 7 concessions into a new company and MDO has agreed to purchase SDCA’s 50% interest in such company in exchange for payments to SDCA totaling $65 million ($35 million on closing and $30 million on or before January 31, 2019). Following completion of the transaction, MDO will have a 100% ownership interest in the Phase 7 deposit. The transaction is subject to certain conditions and is expected to close within 90 days.

In 2017, approximately 844,000 ounces of gold and 34 million ounces of silver at Phase 7 and Puren, which comprise the La Coipa Restart project, was converted to estimated mineral reserves from estimated mineral resources. The scope of work contemplated by the project PFS included modifications and enhancements to the existing plant and infrastructure in order to allow blending and processing of higher grade material from the Phase 7 deposit with oxide/transition material from the existing Puren deposit. The Company received approval on the project Declaration of Impact to Environment (“DIA”) permit in 2016 and expects to receive sectoral permits in the first half of 2018.

Paracatu update

Paracatu resumed mining and processing activities in the fourth quarter of 2017 as sufficient water became available. The Company continues to advance its water mitigation efforts to prepare for potential lower rainfall levels in the future. These efforts include securing ground water rights and installation of wells around the site.

Brazilian royalty legislation

On July 26, 2017, Brazilian President Temer signed certain provisional measures related to the mining sector which, among other things, increase the royalty on gold and on silver from 1% and 0.2% of net sales, respectively, to 2% of gross revenues. The royalty increase for gold was subsequently reduced to 1.5%. The law was approved and came into force as of January 1, 2018.

Paracatu optimization studies

Kinross has recently completed initial optimization and analysis work for Paracatu. The optimization and analysis work focused on determining the optimal mine plan after taking into account changes undertaken at Paracatu over the past few years. The optimization work also assessed the impact of throughput variances in quartzite-impacted zones, lower realized recoveries in certain zones of the ore body, water mitigation projects, local cost inflation, and changes to the fiscal regime in Brazil. The technical work resulted in an increase of 332,000 ounces to the site’s

mineral reserves estimates before 2017 depletion and expects to extend Paracatu's mine life to 2032.

Recent Transactions

Disposition of Interest in Cerro Casale

On March 28, 2017, the Company announced it had entered into an agreement to sell its 25% interest in the Cerro Casale project, and its 100% interest in the Quebrada Seca exploration project in Chile to Goldcorp.

On June 9, 2017, the Company completed the sale for gross cash proceeds of $260.0 million (which included $20.0 million for Quebrada Seca), a contingent payment of $40.0 million following a construction decision for Cerro Casale, the assumption by Goldcorp of a $20.0 million contingent payment obligation payable to Barrick Gold Corporation ("Barrick") when production at Cerro Casale commences, and a 1.25% royalty on 25% of gross revenues from all metals sold at the properties (with the Company foregoing the first $10.0 million). Additionally on closing, the Company entered into a water supply agreement with the Cerro Casale joint venture to have certain rights to access, up to a fixed amount, water not required by the Cerro Casale joint venture.

Disposition of Interest in White Gold

On May 18, 2017, the Company entered into an agreement with White Gold Corp. to sell its 100% interest in the White Gold exploration project in the Yukon Territory.

On June 14, 2017, the Company completed the sale for gross cash proceeds of $7.6 million (CDN$10.0 million), 17.5 million common shares of White Gold Corp. representing 19.9% of the issued and outstanding shares of White Gold Corp., and deferred payments of $11.4 million (CDN$15.0 million), payable in three equal payments of $3.8 million (CDN$5.0 million) upon completion of specific milestones.

Completion of $500.0 million Unsecured Debt Offering

On July 6, 2017, Kinross completed a $500.0 million offering of debt securities consisting of 4.50% senior notes due 2027. Kinross received net proceeds of $494.7 million from the offering, after payment of related fees and expenses. The notes rank equally with the Company's existing senior notes. The proceeds from this transaction were used to fully repay the outstanding balance of the $500.0 million term loan on July 12, 2017.

Disposition of Interest in DeLamar

On September 18, 2017, the Company entered into an agreement with Integra to sell its 100% interest in DeLamar.

On November 3, 2017, the Company completed the sale for cash consideration and a non-interest bearing promissory note, payable 18 months after closing, totaling $5.6 million (CDN$7.2 million), common shares representing 9.9% of the issued and outstanding shares of Integra, and a 2.5% net smelter return royalty that will be reduced to 1% when royalty payments have accumulated to $7.8 million (CDN$10.0 million).

Acquisition of Power Plants in Brazil

On February 14, 2018, Kinross Brasil Mineração ("KBM"), a subsidiary of the Company, signed an agreement to acquire two hydroelectric power plants in the State of Goias, Brazil from a subsidiary of Gerdau SA for $257.0 million. The two plants are expected to secure a long-term supply of power and lower production costs over the life of the mine at Paracatu. The transaction is subject to regulatory approvals and is expected to close in approximately three to six months.

Other Developments

Board of Directors update

Kinross has appointed Mr. Kerry Dyte to its Board of Directors effective as of November 8, 2017.

Mr. John M.H. Huxley, who has been a Kinross Board member since 1993, retired effective as of December 31, 2017.

5. CONSOLIDATED RESULTS OF OPERATIONS

Operating Highlights

	Years ended December 31,			2017 vs. 2016		2016 vs. 2015	
(in millions, except ounces and per ounce amounts)	2017	2016	2015	Change	% Change [d]	Change	% Change
Operating Statistics							
Total gold equivalent ounces [a]							
Produced [c]	**2,698,136**	2,810,345	2,620,262	**(112,209)**	**(4)%**	190,083	7%
Sold [c]	**2,621,875**	2,778,902	2,634,867	**(157,027)**	**(6)%**	144,035	5%
Attributable gold equivalent ounces [a]							
Produced [c]	**2,673,533**	2,789,150	2,594,652	**(115,617)**	**(4)%**	194,498	7%
Sold [c]	**2,596,754**	2,758,306	2,608,870	**(161,552)**	**(6)%**	149,436	6%

Gold ounces - sold		**2,553,178**		2,697,912		2,562,219		**(144,734)**		**(5)%**		135,693	5%
Silver ounces - sold (000's)		**5,058**		5,913		5,378		**(855)**		**(14)%**		535	10%
Average realized gold price per ounce[b]	**$**	**1,260**	$	1,249	$	1,159	**$**	**11**		**1%**	$	90	8%
Financial data													
Metal sales	**$**	**3,303.0**	$	3,472.0	$	3,052.2	**$**	**(169.0)**		**(5)%**	$	419.8	14%
Production cost of sales	**$**	**1,757.4**	$	1,983.8	$	1,834.8	**$**	**(226.4)**		**(11)%**	$	149.0	8%
Depreciation, depletion and amortization	**$**	**819.4**	$	855.0	$	897.7	**$**	**(35.6)**		**(4)%**	$	(42.7)	(5)%
Impairment, net of reversals	**$**	**21.5**	$	139.6	$	699.0	**$**	**(118.1)**		**(85)%**	$	(559.4)	(80)%
Operating earnings (loss)	**$**	**336.5**	$	46.3	$	(742.9)	**$**	**290.2**		**nm**	$	789.2	106%
Net earnings (loss) attributable to common shareholders	**$**	**445.4**	$	(104.0)	$	(984.5)	**$**	**549.4**		**nm**	$	880.5	89%

(a) "Total" includes 100% of Chirano production. "Attributable" includes Kinross' share of Chirano (90%) production.
(b) The definition of this non-GAAP financial measure is included in Section 11 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 period. The ratio for 2017 was 73.72:1 (2016 - 72.95:1 and 2015 - 73.92:1).
(d) "nm" means not meaningful.

Operating Earnings (Loss) by Segment

	Years ended December 31,			2017 vs. 2016		2016 vs. 2015	
(in millions)	**2017**	**2016**	**2015**	**Change**	**% Change [c]**	**Change**	**% Change [c]**
Operating segments							
Fort Knox	**$ 224.7**	$ 110.0	$ (180.8)	**$ 114.7**	**104%**	$ 290.8	161%
Round Mountain	**139.7**	85.8	(8.9)	**53.9**	**63%**	94.7	nm
Bald Mountain	**68.5**	(37.4)	—	**105.9**	**nm**	(37.4)	nm
Kettle River-Buckhorn	**43.4**	64.0	30.3	**(20.6)**	**(32)%**	33.7	111%
Paracatu	**(263.3)**	36.2	24.4	**(299.5)**	**nm**	11.8	48%
Maricunga	**21.3**	(150.6)	(60.4)	**171.9**	**114%**	(90.2)	(149)%
Kupol [a]	**225.0**	345.3	150.1	**(120.3)**	**(35)%**	195.2	130%
Tasiast	**118.8**	(119.9)	(361.2)	**238.7**	**199%**	241.3	67%
Chirano	**(27.5)**	(58.0)	(70.1)	**30.5**	**53%**	12.1	17%
Non-operating segment							
Corporate and Other [b]	**(214.1)**	(229.1)	(266.3)	**15.0**	**7%**	37.2	14%
Total	**$ 336.5**	$ 46.3	$ (742.9)	**$ 290.2**	**nm**	$ 789.2	106%

(a) The Kupol segment includes the Kupol and Dvoinoye mines.
(b) "Corporate and Other" includes operating costs which are not directly related to individual mining properties such as overhead expenses, gains and losses on disposal of assets and investments, and other costs relating to non-operating assets (including La Coipa, Lobo-Marte, Cerro Casale until its disposal on June 9, 2017 and White Gold until its disposal on June 14, 2017).
(c) "nm" means not meaningful.

Mining Operations

Fort Knox (100% ownership and operator) – USA

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change [c]**
Operating Statistics				
Tonnes ore mined (000's)	**26,362**	31,750	**(5,388)**	**(17)%**
Tonnes processed (000's) [a]	**32,736**	42,360	**(9,624)**	**(23)%**
Grade (grams/tonne)[b]	**0.84**	0.69	**0.15**	**22%**
Recovery[b]	**82.5%**	82.8%	**(0.3)%**	**(0)%**
Gold equivalent ounces:				
Produced	**381,115**	409,844	**(28,729)**	**(7)%**
Sold	**381,779**	408,059	**(26,280)**	**(6)%**
Financial Data (in millions)				
Metal sales	**$ 481.1**	$ 510.8	**$ (29.7)**	**(6)%**
Production cost of sales	**239.9**	302.2	**(62.3)**	**(21)%**
Depreciation, depletion and amortization	**86.6**	88.7	**(2.1)**	**(2)%**
Impairment reversal	**(88.6)**	—	**(88.6)**	**nm**
	243.2	119.9	**123.3**	**103%**
Exploration and business development	**9.0**	8.9	**0.1**	**1%**
Other	**9.5**	1.0	**8.5**	**nm**
Segment operating earnings	**$ 224.7**	$ 110.0	**$ 114.7**	**104%**

(a) Includes 20,267,000 tonnes placed on the heap leach pads during 2017 (2016 - 29,142,000 tonnes).
(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pads had an average grade of 0.25 grams per tonne during 2017 (2016 - 0.27 grams per tonne). 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.

2017 vs. 2016

During 2017, tonnes of ore mined decreased by 17% compared with 2016, primarily due to planned mine sequencing, which involved increased capitalized stripping. Tonnes of ore processed were lower by 23% in 2017 compared with 2016, largely due to fewer tonnes placed on the heap leach pads as a result of the decrease in ore mined. Mill grades were 22% higher in 2017 compared with 2016 as a result of mine sequencing. Gold equivalent ounces produced decreased by 7% compared with 2016, primarily due to a decrease in ounces produced from the heap leach pads as a result of fewer tonnes placed, offset by an increase in mill grades.

Metal sales were 6% lower in 2017 compared with 2016 due to a decrease in gold equivalent ounces sold. During 2017, production cost of sales was lower by 21% compared with 2016, due to less operating waste mined and an 8% decrease in labour and contractor costs, partially offset by a 17% increase in maintenance and power costs. Depreciation, depletion and amortization in 2017 decreased by 2%, mainly due to lower gold equivalent ounces sold, partially offset by an increase in the depreciable asset base.

At December 31, 2017, the Company recognized a reversal of previously recorded impairment charges of $88.6 million. The non-cash impairment reversal related to property, plant and equipment was primarily due to an increase in the Company's estimates of future metal prices and additions to Fort Knox's mineral reserve estimates. No such impairment reversal was recognized in 2016.

During 2017, other operating costs of $9.5 million primarily includes costs related to the Gilmore feasibility study.

Round Mountain (100% ownership and operator) — USA

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change**
Operating Statistics				
Tonnes ore mined (000's)	**26,418**	23,530	**2,888**	**12%**
Tonnes processed (000's)[(a)]	**23,270**	23,713	**(443)**	**(2)%**
Grade (grams/tonne)[(b)]	**1.41**	0.98	**0.43**	**44%**
Recovery[(b)]	**81.2%**	80.7%	**0.5%**	**1%**
Gold equivalent ounces:				
Produced	**436,932**	378,264	**58,668**	**16%**
Sold	**438,051**	377,910	**60,141**	**16%**
Financial Data (in millions)				
Metal sales	**$ 552.2**	$ 477.1	**$ 75.1**	**16%**
Production cost of sales	**302.5**	292.0	**10.5**	**4%**
Depreciation, depletion and amortization	**107.4**	94.7	**12.7**	**13%**
	142.3	90.4	**51.9**	**57%**
Exploration and business development	**2.6**	4.6	**(2.0)**	**(43)%**
Segment operating earnings	**$ 139.7**	$ 85.8	**$ 53.9**	**63%**

(a) Includes 19,611,000 tonnes placed on the heap leach pads during 2017 (2016 - 20,084,000 tonnes).
(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pads had an average grade of 0.50 grams per tonne during 2017 (2016 - 0.44 grams per tonne). Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

The Company acquired its 50% 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. On January 11, 2016, the Company acquired the remaining 50% interest in Round Mountain, along with the Bald Mountain gold mine from Barrick.

2017 vs. 2016

During 2017, tonnes of ore mined and mill grade increased by 12% and 44% respectively, compared with 2016, primarily due to mine sequencing which involved mining in a deeper location with higher grade. Gold equivalent ounces produced increased by 16% compared with 2016, primarily due to higher mill grade.

Metal sales increased to $552.2 million in 2017 from $477.1 million in 2016 due to an increase in gold equivalent ounces sold. During 2017, production cost of sales increased by 4% compared to 2016, mainly due to the increase in gold equivalent ounces sold partially offset by a decrease in labour and contractor costs by 7%. Depreciation, depletion and amortization increased to $107.4 million in 2017 from $94.7 million in 2016, primarily due to increases in gold equivalent ounces sold and the depreciable asset base, slightly offset by an increase in the mineral reserves at the end of the third quarter of 2017.

Bald Mountain (100% ownership and operator) — USA

	Years ended December 31,			
	2017	2016	Change	% Change [b]
Operating Statistics [a]				
Tonnes ore mined (000's)	**21,615**	10,656	**10,959**	**103%**
Tonnes processed (000's)	**21,615**	10,656	**10,959**	**103%**
Grade (grams/tonne)	**0.80**	0.64	**0.16**	**25%**
Gold equivalent ounces:				
Produced	**282,715**	130,144	**152,571**	**117%**
Sold	**262,916**	111,464	**151,452**	**136%**
Financial Data (in millions)				
Metal sales	**$ 331.5**	$ 139.6	**$ 191.9**	**137%**
Production cost of sales	**168.9**	131.7	**37.2**	**28%**
Depreciation, depletion and amortization	**83.5**	38.6	**44.9**	**116%**
	79.1	(30.7)	**109.8**	**nm**
Exploration and business development	**9.5**	4.7	**4.8**	**102%**
Other	**1.1**	2.0	**(0.9)**	**(45)%**
Segment operating earnings (loss)	**$ 68.5**	$ (37.4)	**$ 105.9**	**nm**

(a) Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.
(b) "nm" means not meaningful.

The Company completed the acquisition of 100% of the Bald Mountain open pit mine on January 11, 2016 from Barrick, which includes a large associated land package.

2017 vs. 2016

During 2017, tonnes of ore mined and processed increased by 103% compared to 2016, consistent with the mine plan. Grade increased by 25% in 2017, compared to 2016, due to mine sequencing which involved mining in higher grade locations. Gold equivalent ounces produced increased by 117% compared to 2016 primarily due to more ounces recovered from the heap leach pads, as a result of more tonnes placed and the higher grade. Gold equivalent ounces sold in 2017 were lower than production due to timing of sales.

In 2017, metal sales increased to $331.5 million from $139.6 million in 2016 due to the increase in gold equivalent ounces sold. Production cost of sales increased by 28% compared to 2016 due to higher gold equivalent ounces sold in addition to an increase in labour, reagents and fuel costs by 37%, partially offset by a 33% decrease in maintenance and contractor costs. Depreciation, depletion and amortization increased by 116% compared to 2016, primarily due to increases in gold equivalent ounces sold and the depreciable asset base.

Kettle River—Buckhorn (100% ownership and operator) — USA

	Years ended December 31,			
	2017	2016	Change	% Change [a]
Operating Statistics				
Tonnes ore mined (000's)	**189**	438	**(249)**	**(57)%**
Tonnes processed (000's)	**234**	441	**(207)**	**(47)%**
Grade (grams/tonne)	**9.53**	7.84	**1.69**	**22%**
Recovery	**94.4%**	93.3%	**1.1%**	**1%**
Gold equivalent ounces:				
Produced	**76,570**	112,274	**(35,704)**	**(32)%**
Sold	**77,087**	112,038	**(34,951)**	**(31)%**
Financial Data (in millions)				
Metal sales	**$ 96.3**	$ 139.8	**$ (43.5)**	**(31)%**
Production cost of sales	**36.8**	73.0	**(36.2)**	**(50)%**
Depreciation, depletion and amortization	**0.6**	1.3	**(0.7)**	**(54)%**
	58.9	65.5	**(6.6)**	**(10)%**
Exploration and business development	**4.6**	2.2	**2.4**	**109%**
Other	**10.9**	(0.7)	**11.6**	**nm**
Segment operating earnings	**$ 43.4**	$ 64.0	**$ (20.6)**	**(32)%**

(a) "nm" means not meaningful.

The Kettle River—Buckhorn properties are located in Ferry and Okanogan Counties in the State of Washington. Kinross acquired Kettle River through the acquisition of Echo Bay on January 31, 2003. In 2017, the Kettle River mine came to the end of its life and mining activities were completed.

2017 vs. 2016

Tonnes of ore mined and tonnes processed decreased by 57% and 47%, respectively, due to the completion of mining activities during 2017. Gold equivalent ounces produced and sold decreased by 32% and 31%, respectively, compared with 2016, primarily due to lower throughput offset by an increase in grade.

Metal sales decreased by 31% in 2017 compared with 2016 due to the decrease in gold equivalent ounces sold. Production cost of sales and depreciation, depletion and amortization decreased by 50% and 54%, respectively, compared with 2016, mainly due to the completion of mining activities during 2017.

In 2017, other costs of $10.9 million includes reclamation expense related to a revision of estimates for the reclamation and remediation obligation as the mine prepares for its closure.

Paracatu (100% ownership and operator) — Brazil

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change [a]**
Operating Statistics				
Tonnes ore mined (000's)	**27,770**	47,206	**(19,436)**	**(41)%**
Tonnes processed (000's)	**37,623**	46,816	**(9,193)**	**(20)%**
Grade (grams/tonne)	**0.41**	0.45	**(0.04)**	**(9)%**
Recovery	**74.6%**	72.3%	**2.3%**	**3%**
Gold equivalent ounces:				
Produced	**359,959**	483,014	**(123,055)**	**(25)%**
Sold	**356,251**	482,827	**(126,576)**	**(26)%**
Financial Data (in millions)				
Metal sales	**$ 447.0**	$ 599.6	**$ (152.6)**	**(25)%**
Production cost of sales	**310.2**	346.4	**(36.2)**	**(10)%**
Depreciation, depletion and amortization	**127.0**	142.7	**(15.7)**	**(11)%**
Impairment charge	**253.0**	—	**253.0**	**nm**
	(243.2)	110.5	**(353.7)**	**nm**
Other	**20.1**	74.3	**(54.2)**	**(73)%**
Segment operating earnings (loss)	**$ (263.3)**	$ 36.2	**$ (299.5)**	**nm**

(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, upon the acquisition of TVX Gold Inc. on January 31, 2003. On December 31, 2004, the Company purchased the remaining 51% of Paracatu from Rio Tinto Plc.

2017 vs. 2016

During 2017, tonnes of ore mined and processed decreased by 41% and 20%, respectively, compared to 2016 due to a temporary curtailment as a result of lower than average rainfall in the area. Grade decreased by 9% in 2017 compared to 2016 due to the metallurgical characteristics of the ore mined. Gold equivalent ounces produced decreased by 25% compared with 2016, mainly as a result of the decrease in throughput and grades. Gold equivalent ounces sold in 2017 were lower than production due to timing of sales.

Metal sales decreased by 25% in 2017 compared with 2016 due to the decrease in gold equivalent ounces sold. Production cost of sales was lower by 10% in 2017 compared with 2016, primarily due to the decrease in gold equivalent ounces sold, partially offset by an increase in operating waste mined. Depreciation, depletion and amortization decreased by 11% mainly as a result of fewer gold equivalent ounces sold, offset by an increase in the depreciable asset base.

During 2017, other costs of $20.1 million mainly included $23.6 million of costs related to the temporary curtailment, offset by revenues of $9.0 million related to the sale of excess energy that became available as a result of the curtailment. Other costs of $74.3 million incurred in 2016 included $58.0 million related to a write-off of VAT receivables and settlement of VAT disputes due to regulatory changes in Brazil.

At December 31, 2017, the Company recorded a non-cash impairment charge of $253.0 million related to property, plant and equipment. The impairment charge at Paracatu was mainly a result of changes in the fiscal regime in Brazil that were considered in the cash flow analysis used to assess its recoverable amount. No such impairment charge was recognized in 2016.

Maricunga (100% ownership and operator) — Chile

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change [b]**
Operating Statistics [a]				

Tonnes ore mined (000's)	—	6,059	**(6,059)**	**nm**
Tonnes processed (000's)	—	6,508	**(6,508)**	**nm**
Grade (grams/tonne)	—	0.67	**(0.67)**	**nm**
Gold equivalent ounces:				
Produced	**91,127**	175,532	**(84,405)**	**(48)%**
Sold	**41,316**	175,670	**(134,354)**	**(76)%**
Financial Data (in millions)				
Metal sales	**$ 52.0**	$ 219.4	**$ (167.4)**	**(76)%**
Production cost of sales	**19.9**	145.2	**(125.3)**	**(86)%**
Depreciation, depletion and amortization	**4.6**	34.4	**(29.8)**	**(87)%**
Impairment charge	**—**	139.6	**(139.6)**	**nm**
	27.5	(99.8)	**127.3**	**128%**
Exploration and business development	**0.1**	—	**0.1**	**nm**
Other	**6.1**	50.8	**(44.7)**	**(88)%**
Segment operating earnings (loss)	**$ 21.3**	$ (150.6)	**$ 171.9**	**114%**

(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 Gold Corporation ("Bema"). During 2016, mining activities at Maricunga were suspended as a result of the imposition of a water curtailment order by Chile's environmental enforcement authority (the "SMA").

2017 vs. 2016

As a result of the suspension of mining and crushing activities at Maricunga since 2016, there was no ore mined and processed in 2017. During 2017, gold equivalent ounces produced decreased by 48% compared with 2016 primarily due to the suspension of mining and crushing activities. Gold equivalent ounces sold in 2017 were lower than production due to the timing of sales and decreased by 76% compared with 2016, primarily due to the decrease in gold equivalent ounces produced.

Metal sales and production cost of sales decreased by 76% and 86%, respectively, compared with 2016 primarily due to the decrease in gold equivalent ounces sold. Depreciation, depletion and amortization decreased from $34.4 million in 2016 to $4.6 million in 2017, primarily due to decreases in gold equivalent ounces sold and the depreciable asset base as a result of the impairment charge recognized in 2016.

At September 30 2016, the Company recorded impairment charges of $139.6 million that were related to the suspension of mining operations. Other costs of $50.8 million incurred in 2016 included $20.1 million related to the suspension of mining operations and $27.3 million related to reclamation and remediation costs.

Kupol (100% ownership and operator) — Russian Federation [(a)]

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change**
Operating Statistics				
Tonnes ore mined (000's) [(b)]	**1,915**	2,002	**(87)**	**(4)%**
Tonnes processed (000's)	**1,733**	1,710	**23**	**1%**
Grade (grams/tonne):				
Gold	**10.01**	12.72	**(2.71)**	**(21)%**
Silver	**81.11**	103.38	**(22.27)**	**(22)%**
Recovery:				
Gold	**94.8%**	95.3%	**(0.5)%**	**(1)%**
Silver	**84.8%**	87.8%	**(3.0)%**	**(3)%**
Gold equivalent ounces: [(c)]				
Produced	**580,451**	734,143	**(153,692)**	**(21)%**
Sold	**577,007**	736,001	**(158,994)**	**(22)%**
Silver ounces:				
Produced (000's)	**3,879**	4,909	**(1,030)**	**(21)%**
Sold (000's)	**3,873**	4,902	**(1,029)**	**(21)%**
Financial Data (in millions)				
Metal sales	**$ 726.9**	$ 919.2	**$ (192.3)**	**(21)%**
Production cost of sales	**300.9**	324.3	**(23.4)**	**(7)%**
Depreciation, depletion and amortization	**184.2**	236.8	**(52.6)**	**(22)%**
	241.8	358.1	**(116.3)**	**(32)%**
Exploration and business development	**17.1**	13.3	**3.8**	**29%**
Other	**(0.3)**	(0.5)	**0.2**	**40%**
Segment operating earnings	**$ 225.0**	$ 345.3	**$ (120.3)**	**(35)%**

(a) The Kupol segment includes the Kupol and Dvoinoye mines.
(b) Includes 668,000 tonnes of ore mined from Dvoinoye during 2017 (2016 - 665,000 tonnes).
(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 period. The ratio for 2017 was 73.72:1 (2016 - 72.95:1).

The Company acquired a 75% interest in the Kupol project in Far Eastern Russia on February 27, 2007. The remaining 25% interest was acquired from the State Unitary Enterprise of the Chukotka Autonomous Okrug on April 27, 2011.

2017 vs. 2016

During 2017, tonnes of ore mined decreased by 4%, compared with 2016, primarily due to mining in a deeper and narrower ore body, consistent with the mine plan. Tonnes of ore processed increased by 1%, compared with 2016 largely due to an increase in performance of the mill. Gold grades were 21% lower during 2017 compared with 2016, due to an increase in the proportion of ore processed from the low grade stopes at both Kupol and Dvoinoye, as per the mine plan. Gold equivalent ounces produced decreased by 21% in 2017, compared with 2016, due to lower grades. During 2017, gold equivalent ounces sold were lower than production due to the timing of shipments.

Metal sales decreased by 21% in 2017, compared with 2016 due to lower gold equivalent ounces sold, partially offset by higher average metal prices realized. During 2017, production cost of sales decreased by 7% compared with 2016, due to fewer gold equivalent ounces sold and a decrease in fuel costs by 17%. These decreases were offset by an increase in labour costs due to unfavourable foreign exchange movements. Depreciation, depletion and amortization decreased by 22% compared with 2016 due to the decrease in gold equivalent ounces sold.

Tasiast (100% ownership and operator) — Mauritania

	Years ended December 31,			
	2017	2016	Change	% Change [c]
Operating Statistics				
Tonnes ore mined (000's)	**6,685**	7,973	**(1,288)**	**(16)%**
Tonnes processed (000's) [a]	**4,101**	7,227	**(3,126)**	**(43)%**
Grade (grams/tonne) [b]	**2.36**	1.80	**0.56**	**31%**
Recovery [b]	**92.3%**	92.0%	**0.3%**	**0%**
Gold equivalent ounces:				
Produced	**243,240**	175,176	**68,064**	**39%**
Sold	**236,256**	168,969	**67,287**	**40%**
Financial Data (in millions)				
Metal sales	**$ 298.4**	$ 208.0	**$ 90.4**	**43%**
Production cost of sales	**178.2**	179.3	**(1.1)**	**(1)%**
Depreciation, depletion and amortization	**78.6**	96.4	**(17.8)**	**(18)%**
Impairment reversal	**(142.9)**	—	**(142.9)**	**nm**
	184.5	(67.7)	**252.2**	**nm**
Exploration and business development	**5.7**	5.9	**(0.2)**	**(3)%**
Other	**60.0**	46.3	**13.7**	**30%**
Segment operating earnings (loss)	**$ 118.8**	$ (119.9)	**$ 238.7**	**199%**

(a) Includes 1,056,000 tonnes placed on the heap leach pads during 2017 (2016 - 4,768,000 tonnes).
(b) Amount represents mill grade and recovery only. Ore placed on the dump leach pads had an average grade of 0.65 grams per tonne during 2017 (2016 - 0.44 grams per tonne). Due to the nature of dump leach operations, point-in-time recovery rates are not meaningful.
(c) "nm" means not meaningful.

Kinross acquired its 100% interest in the Tasiast mine on September 17, 2010 upon completing its acquisition of Red Back Mining Inc. ("Red Back"). The Tasiast mine is an open pit operation located in north-western Mauritania and is approximately 300 kilometres north of the capital Nouakchott.

2017 vs. 2016

During 2017, tonnes of ore mined decreased by 16% compared with 2016, primarily due to mine sequencing, which involved a decrease in mining of lower grade leachable ore from the West Branch deposit. Tonnes of ore processed were 43% lower compared with 2016, largely due to fewer tonnes placed on the dump leach pads as a result of planned mine sequencing, partially offset by higher productivity at the mill. Grades relating to the ore processed through the mill increased by 31% compared with 2016 due to planned mine sequencing. During 2017, gold equivalent ounces produced increased by 39% compared with the same period in 2016, primarily due to the increase in mill grade as well as mill throughput.

Metal sales increased by 43% compared with 2016 due to an increase in gold equivalent ounces sold, as well as an increase in average metal prices realized. During 2017, production cost of sales decreased by 1% compared with 2016, primarily due to a decrease in operating waste mined and a 16% decrease in labour costs, offset by higher gold equivalent ounces sold. Increased capitalized stripping contributed to the decrease in depreciation, depletion and amortization of 18% in 2017 as compared to the prior year.

At December 31, 2017, the Company recognized a reversal of previously recorded impairment charges of $142.9 million. The non-cash

impairment reversal related to property, plant and equipment was primarily as a result of an increase in the Company's estimates of future metal prices and Tasiast Phase Two progressing as planned. No such impairment reversal was recognized in 2016.

During 2017, other operating costs of $60.0 million includes $50.5 million related to the write-off of long-term VAT receivables. Other operating costs of $46.3 million recorded in 2016 included $20.3 million of costs associated with the temporary suspension of operations.

Chirano (90% ownership and operator) — Ghana[(a)]

	Years ended December 31,			
	2017	**2016**	**Change**	**% Change**
Operating Statistics				
Tonnes ore mined (000's)	**2,410**	2,722	**(312)**	**(11)%**
Tonnes processed (000's)	**3,438**	3,458	**(20)**	**(1)%**
Grade (grams/tonne)	**2.44**	2.10	**0.34**	**16%**
Recovery	**92.2%**	91.4%	**0.8%**	**1%**
Gold equivalent ounces:				
Produced	**246,027**	211,954	**34,073**	**16%**
Sold	**251,212**	205,964	**45,248**	**22%**
Financial Data (in millions)				
Metal sales	**$ 317.6**	$ 258.5	**$ 59.1**	**23%**
Production cost of sales	**200.1**	189.7	**10.4**	**5%**
Depreciation, depletion and amortization	**138.6**	109.9	**28.7**	**26%**
	(21.1)	(41.1)	**20.0**	**49%**
Exploration and business development	**8.2**	8.9	**(0.7)**	**(8)%**
Other	**(1.8)**	8.0	**(9.8)**	**(123)%**
Segment operating loss	**$ (27.5)**	$ (58.0)	**$ 30.5**	**53%**

(a) Operating and financial data are at 100% for all periods.

Kinross acquired its 90% interest in the Chirano mine on September 17, 2010 upon completing its acquisition of Red Back. Chirano is located in southwestern Ghana, approximately 100 kilometres southwest of Kumasi, Ghana's second largest city. A 10% carried interest is held by the government of Ghana.

2017 vs. 2016

During 2017, tonnes of ore mined decreased by 11% compared with 2016, due to the completion of open pit mining at the end of the second quarter of 2017. The decrease in tonnes of ore mined from the open pit was partially offset by increased mining activities at the Paboase and Akoti underground deposits. Grades increased by 16%, mainly due to higher grade ore mined at Paboase and Akoti. Gold equivalent ounces produced were 16% higher compared with 2016, primarily due to the higher grades. During 2017, gold equivalent ounces sold exceeded production due to timing of shipments.

During 2017, metal sales increased by 23% compared to 2016, mainly due to higher gold equivalent ounces sold. Production cost of sales increased by 5% compared with 2016, primarily due to an increase in gold equivalent ounces sold and a 9% increase in labour and maintenance costs, partially offset by a 16% decrease in power and overhead costs. Depreciation, depletion and amortization increased by 26% compared with 2016, largely due to the increase in gold equivalent ounces sold, a decrease in mineral reserves at December 31, 2016, and a decrease in the remaining useful lives of open pit assets related to the completion of open pit mining activities at the end of the second quarter of 2017.

Impairment, Net of Reversals

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Property, plant and equipment (i)	**$ 21.5**	$ 68.3	**$ (46.8)**	**(69)%**
Inventory (ii)	**—**	71.3	**(71.3)**	**(100)%**
Impairment charges	**$ 21.5**	$ 139.6	**$ (118.1)**	**(85)%**

i. Property, plant and equipment

At December 31, 2017, upon completion of its annual assessment of the carrying value of its CGUs, the Company recorded a net, after-tax, impairment reversal of $62.1 million. The impairment reversal was entirely related to property, plant and equipment and included after-tax impairment reversals at Tasiast and Fort Knox of $142.9 million and $86.2 million, respectively, partially offset by an after-tax impairment charge at Paracatu of $167.0 million. The impairment reversals at Tasiast and Fort Knox are mainly due to an increase in the Company's short-term and long-term gold price estimates, as well as Tasiast Phase Two progressing as planned and additions to Fort Knox's mineral reserve estimates. For Tasiast, the reversal represents a partial reversal of the total impairment charges previously recorded. For Fort Knox, the reversal represents a full reversal of the remaining impairment charge recorded in 2015. The impairment charge at Paracatu was mainly a result of changes in the

fiscal regime in Brazil that were considered in the cash flow analysis used to assess its recoverable amount. The impairment charge at Paracatu is net of a tax recovery of $86.0 million and the impairment reversal at Fort Knox is net of a tax expense of $2.4 million. The net tax recovery of $83.6 million was recorded within income tax expense. There was no tax impact on the impairment reversal at Tasiast.

As at September 30, 2016, the Company identified the suspension of mining at Maricunga as an indication of impairment and performed an impairment assessment to determine the recoverable amount of the Maricunga CGU. The recoverable amount was determined by considering observable market values for comparable assets. As the recoverable amount was lower than the carrying amount, an impairment charge of $68.3 million was recorded against property, plant and equipment. No impairment charges were recorded as a result of the Company's annual assessment of impairment at December 31, 2016.

Impairment charges recognized against property, plant and equipment may be reversed if there are changes in the assumptions or estimates used in determining the recoverable amount of a CGU which indicate that a previously recognized impairment loss may no longer exist or may have decreased.

ii. Inventory and other assets

In 2016, the Company recognized impairment charges of $71.3 million related to metals and supplies inventory at Maricunga, resulting from the suspension of mining during the year.

Other Operating Expense

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Other operating expense	**$ 129.6**	$ 209.3	**$ (79.7)**	**(38)%**

In 2017, other operating expense included $23.6 million in costs related to the temporary curtailment of mining activities at Paracatu which were not forecasted, $17.5 million related to a write-off of VAT receivables and settlement of VAT disputes, $9.5 million related to the Fort Knox Gilmore Feasibility study, reclamation expenses related to properties where mining activities have ceased or are in reclamation, as well as care and maintenance and other costs.

Other operating expense in 2016 included $58.0 million related to a write-off of VAT receivables and settlement of VAT disputes due to regulatory changes in Brazil, $40.4 million in costs related to the suspension of mining activities at Maricunga and Tasiast, reclamation expenses related to properties where mining activities have ceased or are in reclamation, as well as care and maintenance and other costs.

Exploration and Business Development

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Exploration and business development	**$ 106.0**	$ 94.3	**$ 11.7**	**12%**

During 2017, exploration and business development expenses were $106.0 million compared with $94.3 million in 2016. Of the total exploration and business development expense, expenditures on exploration totaled $75.6 million in 2017 compared with $67.4 million in 2016. Capitalized exploration expenses, including capitalized evaluation expenditures, totaled $1.9 million compared with $3.1 million during 2016.

Kinross was active on more than 22 mine sites, near-mine and greenfield initiatives in 2017, with a total 326,244 metres drilled. In 2016, Kinross was active on more than 23 mine sites, near-mine and greenfield initiatives, with a total of 277,955 metres drilled.

General and Administrative

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
General and administrative	**$ 132.6**	$ 143.7	**$ (11.1)**	**(8)%**

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, Brazil, the Russian Federation, Chile, and the Canary Islands.

General and administrative costs decreased by $11.1 million in 2017 compared with 2016 primarily due to lower professional fees.

Other Income (Expense) — Net

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change [(a)]**
Gain on disposition of associate and other interests - net	**$ 55.2**	$ —	**$ 55.2**	**nm**
Gain on disposition of other assets - net	**1.9**	9.7	**(7.8)**	**(80)%**
Reversal of impairment charges	**97.0**	—	**97.0**	**nm**
Foreign exchange losses	**(4.9)**	(6.3)	**1.4**	**22%**
Net non-hedge derivative gains (losses)	**0.3**	(0.4)	**0.7**	**175%**
Other	**38.6**	19.5	**19.1**	**98%**
Other income - net	**$ 188.1**	$ 22.5	**$ 165.6**	**nm**

(a) "nm" means not meaningful.

During 2017, other income increased to $188.1 million from $22.5 million in 2016. The discussion below details the significant changes in other income for 2017 compared with 2016.

Gains on disposition of associate and other interests - net

In the fourth quarter of 2017, the Company completed the sale of its 100% interest in DeLamar. A gain of $44.2 million was recognized in connection with the sale.

In the second quarter of 2017, the Company completed the sale of its interests in Cerro Casale, Quebrada Seca, and the White Gold exploration project. A gain of $12.7 million was recognized in connection with the sale of Cerro Casale and Quebrada Seca and a loss of $1.7 million was recognized in connection with the sale of White Gold.

Reversal of Impairment Charges

As a result of the agreement entered into in the first quarter of 2017 to sell Cerro Casale at a price higher than the carrying value, the Company recognized a reversal of previously recorded impairment charges of $97.0 million.

Foreign Exchange Losses

During 2017, foreign exchange losses were $4.9 million compared with losses of $6.3 million in 2016. The foreign exchange losses of $4.9 million in 2017 were mainly due to the translation of net monetary assets denominated in foreign currencies to the U.S. dollar, with the U.S. dollar having weakened against the Mauritanian ouguiya, Chilean peso, Canadian dollar and Russian rouble and strengthened against the Brazilian real as at December 31, 2017 relative to December 31, 2016.

The foreign exchange losses of $6.3 million in 2016 were mainly due to the translation of net monetary assets denominated in foreign currencies to the U.S. dollar, with the U.S. dollar having weakened against the Brazilian real, Chilean peso and Canadian dollar and strengthened against the Mauritanian ouguiya as at December 31, 2016 relative to December 31, 2015.

Other

Other income of $38.6 million recognized in 2017 included the receipt of insurance recoveries of $17.5 million of which $15.1 million was related to Maricunga, and $9.9 million related to a settlement of a royalty agreement. In 2016, other income of $19.5 million included insurance recoveries of $13.0 million related to Round Mountain.

Finance Expense

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Finance expense	**$ 117.8**	$ 134.6	**$ (16.8)**	**(12)%**

Finance expense includes accretion on reclamation and remediation obligations and interest expense.

Finance expense decreased by $16.8 million compared with 2016, primarily due to a decrease in interest expense. During 2017, interest expense was $86.5 million compared with $100.4 million in 2016, with the decrease primarily due to an increase in interest capitalized. Interest capitalized was $25.1 million in 2017 compared with $15.2 million in 2016, with the increase mainly due to higher qualifying capital expenditures.

Income and Mining Taxes

Kinross is subject to tax in various jurisdictions including Canada, the United States, Brazil, Chile, the Russian Federation, Mauritania, and Ghana.

Income tax recovery in 2017 was $23.2 million, compared with an income tax expense of $49.6 million in 2016. The $23.2 million recovery recognized in 2017 includes a net tax recovery of $83.6 million related to the impairment charge at Paracatu and impairment reversal at Fort Knox, and an estimated net benefit of $93.4 million due to the enactment of U.S. Tax Reform legislation on December 22, 2017. The estimated net benefit includes a benefit of $124.4 million in respect of the collectability of the AMT credit, which is partially offset by the write-down of net deferred tax assets to reflect the reduction in the U.S. corporate tax rate from 35% to 21% beginning January 1, 2018. Further guidance on the implementation and application of the U.S. Tax Reform legislation will be forthcoming in regulations to be issued by the Department of Treasury, legislation or guidance from the states in which the Company operates and directions from the Office of Management and Budget. Such legislation, regulations, directions and additional guidance may require changes to the estimated net benefit recorded and the impact of such changes will be accounted for in the period in which the legislation, regulations, directions, and additional guidance are enacted or released by the relevant authorities. The $49.6 million income tax expense recognized in 2016 included a $65.1 million recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuations in foreign exchange rates with respect to the Brazilian real and the Russian rouble, $32.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016 and a tax benefit of $27.7 million realized by the Company as a result of the acquisition of Bald Mountain and the remaining 50% of Round Mountain. In addition, tax expense decreased due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for 2017 was 26.5% (2016 — 26.5%).

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:

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Cash Flow				
Provided from operating activities	**$ 951.6**	$ 1,099.2	**$ (147.6)**	**(13)%**
Used in investing activities	**(687.2)**	(1,270.1)	**582.9**	**46%**
Used in financing activities	**(69.0)**	(48.3)	**(20.7)**	**(43)%**
Effect of exchange rate changes on cash and cash equivalents	**3.4**	2.3	**1.1**	**48%**
Increase (decrease) in cash and cash equivalents	**198.8**	(216.9)	**415.7**	**192%**
Cash and cash equivalents, beginning of period	**827.0**	1,043.9	**(216.9)**	**(21)%**
Cash and cash equivalents, end of period	**$ 1,025.8**	$ 827.0	**$ 198.8**	**24%**

Cash and cash equivalent balances increased by $198.8 million in 2017 compared with a decrease of $216.9 million in 2016. Detailed discussions regarding cash flow movements from continuing operations are noted below.

Operating Activities

2017 vs. 2016

Net cash flow provided from operating activities decreased by $147.6 million in 2017 compared with 2016, with the decrease largely due to less favourable working capital movements and higher taxes paid, partially offset by higher margins.

Investing Activities

2017 vs. 2016

Net cash flow used in investing activities was $687.2 million in 2017 compared with $1,270.1 million in 2016. The primary uses of cash in 2017 were for capital expenditures of $897.6 million. This was partially offset by net cash proceeds of $269.6 million from the sale of Kinross' interests in Cerro Casale, Quebrada Seca, the White Gold exploration project, and DeLamar.

In 2016, the primary uses of cash were for the acquisition of Bald Mountain and the remaining 50% interest in Round Mountain for $588.0 million and capital expenditures of $633.8 million.

The following table presents a breakdown of capital expenditures on a cash basis:

	Years ended December 31,			
(in millions)	**2017**	**2016**	**Change**	**% Change**
Operating segments				
Fort Knox	**$ 102.1**	$ 70.2	**$ 31.9**	**45%**
Round Mountain	**95.8**	71.9	**23.9**	**33%**
Bald Mountain	**90.5**	40.5	**50.0**	**123%**
Kettle River - Buckhorn	**—**	—	**—**	**—**
Paracatu	**122.4**	108.5	**13.9**	**13%**
Maricunga	**1.5**	5.1	**(3.6)**	**(71)%**
Kupol [(a)]	**54.3**	88.8	**(34.5)**	**(39)%**
Tasiast	**379.4**	190.9	**188.5**	**99%**
Chirano	**46.6**	46.6	**—**	**—**
Non-operating segment				
Corporate and Other [(b)]	**5.0**	11.3	**(6.3)**	**(56)%**
Total	**$ 897.6**	$ 633.8	**$ 263.8**	**42%**

(a) Includes $10.4 million of capital expenditures at Dvoinoye during 2017 (2016 - $14.4 million).
(b) "Corporate and Other" includes corporate and other non-operating assets including La Coipa, Lobo-Marte and White Gold until its disposal

on June 14, 2017.

During 2017, capital expenditures increased by $263.8 million compared with 2016, primarily due to higher spending at Tasiast related to the Phase One expansion project, increased spending at Bald Mountain mainly due to the Vantage Complex project and at Fort Knox due to increased capitalized stripping as per mine sequencing. The increases were partially offset by decreased spending at Kupol due to the completion of the filter cake project in 2016.

Financing Activities

2017 vs. 2016

Net cash flow used in financing activities was $69.0 million in 2017 compared with cash used of $48.3 million in 2016.

Interest paid during 2017 was $80.9 million, of which $62.9 million was included in financing activities. Total interest paid during 2016 was $95.3 million, of which $73.5 million was included in financing activities.

During 2017, the Company completed a $500.0 million offering of debt securities consisting of 4.50% senior notes due 2027. Kinross received net proceeds of $494.7 million from the offering, after payment of related fees and expenses. The proceeds received in this transaction were then used to fully repay the outstanding balance of the $500.0 million term loan.

During 2016, the Company received net proceeds of $275.7 million on the completion of the public equity offering of 95.9 million common shares, including 12.5 million common shares issued to the underwriters on the exercise of their over-allotment option. On March 4, 2016, Kinross used $175.0 million of the net proceeds to repay its drawing on the revolving credit facility on January 4, 2016. On September 1, 2016, the Company repaid the principal amount of $250.0 million of senior notes maturing in September 2016.

Balance Sheet

	As at December 31,		
(in millions)	**2017**	**2016**	**2015**
Cash and cash equivalents	**$ 1,025.8**	$ 827.0	$ 1,043.9
Current assets	**$ 2,284.4**	$ 2,080.7	$ 2,292.1
Total assets	**$ 8,157.2**	$ 7,979.3	$ 7,735.4
Current liabilities, including current portion of long-term debt	**$ 585.3**	$ 637.7	$ 701.8
Total long-term financial liabilities [(a)]	**$ 2,563.1**	$ 2,594.4	$ 2,452.7
Total debt, including current portion	**$ 1,732.6**	$ 1,733.2	$ 1,981.4
Total liabilities	**$ 3,538.0**	$ 3,795.0	$ 3,802.2
Common shareholders' equity	**$ 4,583.6**	$ 4,145.5	$ 3,889.3
Non-controlling interest	**$ 35.6**	$ 38.8	$ 43.9
Statistics			
Working capital [(b)]	**$ 1,699.1**	$ 1,443.0	$ 1,590.3
Working capital ratio [(c)]	**3.9:1**	3.26:1	3.27:1

(a) Includes long-term debt and provisions.
(b) Calculated as current assets less current liabilities.
(c) Calculated as current assets divided by current liabilities.

At December 31, 2017, Kinross had cash and cash equivalents of $1,025.8 million, an increase of $198.8 million from the balance as at December 31, 2016, primarily due to net operating cash inflows of $951.6 million and the receipt of net cash proceeds of $269.6 million related to the sale of Cerro Casale, Quebrada Seca, the White Gold exploration project, and DeLamar. These inflows were offset by cash outflows of $897.6 million related to capital expenditures and $73.8 million for additions to long-term investments and other assets. Current assets increased to $2,284.4 million, mainly due to the increase in cash and cash equivalents and inventories, partially offset by a decrease in current income tax recoverable, trade receivables and VAT receivables. Total assets increased by $177.9 million to $8,157.2 million, largely due to increases in current assets, long-term investments and long term receivables offset by a decrease in investments in associate and joint ventures as a result of the sale of Cerro Casale. Current liabilities decreased to $585.3 million, primarily due to the decrease in current income taxes payable and the current portion of provisions, partially offset by an increase in accounts payable and accrued liabilities. Total long-term financial liabilities were lower by $31.3 million, primarily due to a decrease in other long-term liabilities.

At December 31, 2016, Kinross had cash and cash equivalents of $827.0 million, a decrease of $216.9 million from the balance as at December 31, 2015, primarily due to net cash outflows of $588.0 million used in the acquisition of Bald Mountain and the remaining 50% of Round Mountain, capital expenditures of $633.8 million, repayment of debt of $250.0 million, and $59.8 million for additions to long-term investments and other assets, partially offset by net operating cash flows of $1,099.2 million and net proceeds of $275.7 million received from the equity issuance. Current assets decreased to $2,080.7 million, mainly due to the decrease in cash and cash equivalents, partially offset by an increase in trade receivables. Total assets increased by $243.9 million to $7,979.3 million, largely due to the acquisition of Bald Mountain and the remaining 50% of Round Mountain. Current liabilities decreased to $637.7 million, primarily due to the repayment of the current portion of the senior notes of $250.0 million, partially offset by an increase in accounts payable and accrued liabilities and income tax payable. Total long-term financial liabilities were higher by $141.7 million, primarily due to an increase in provisions as a result of the acquisition.

As of February 13, 2018, there were 1,247.0 million common shares of the Company issued and outstanding. In addition, at the same date, the Company had 12.1 million share purchase options outstanding under its share option plan.

Financings and Credit Facilities

Senior notes

As at December 31, 2017, the Company's $1,750.0 million of senior notes consisted of $500.0 million principal amount of 5.125% notes due 2021, $500.0 million principal amount of 5.950% notes due 2024, $500.0 million principal amount of 4.50% notes due 2027 and $250.0 million principal amount of 6.875% notes due 2041.

On July 6, 2017, the Company completed a $500.0 million offering of debt securities consisting of 4.50% senior notes due 2027. Kinross received net proceeds of $494.7 million from the offering, after payment of related fees and expenses. The notes rank equally with the Company's existing senior notes.

Corporate revolving credit and term loan facilities

On July 12, 2017, the Company fully repaid the outstanding balance on the term loan with proceeds from the $500.0 million offering of debt securities completed on July 6, 2017.

On July 28, 2017, the Company amended its $1,500.0 million revolving credit facility to extend the maturity date by one year from August 10, 2021, to August 10, 2022.

As at December 31, 2017, the Company had utilized $21.0 million (December 31, 2016 — $104.5 million) of its $1,500.0 million revolving credit facility. The amount utilized was entirely for letters of credit.

Loan interest for the revolving credit facility is variable, set at LIBOR plus an interest rate margin which is dependent on the Company's credit rating. Based on the Company's credit rating at December 31, 2017, interest charges and fees, are as follows:

Type of credit	
Dollar based LIBOR loan:	
Revolving credit facility	LIBOR plus 2.00%
Letters of credit	1.33-2.00%
Standby fee applicable to unused availability	0.40%

The revolving credit facility contains various covenants including limits on indebtedness, asset sales and liens. The Company is in compliance with its financial covenant in the credit agreement at December 31, 2017.

Other

The maturity date for the $250.0 million Letter of Credit guarantee facility with Export Development Canada ("EDC") was extended by one year to June 30, 2018, effective July 1, 2017. Effective December 5, 2017, the Company entered into an amendment to increase the amount of its Letter of Credit guarantee facility with EDC from $250.0 million to $300.0 million. Letters of credit guaranteed under this 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 0.95% to 1.00%. As at December 31, 2017, $215.2 million (December 31, 2016 - $215.1 million) was utilized under this facility.

In addition, at December 31, 2017, the Company had $230.2 million (December 31, 2016 - $117.7 million) in letters of credit and surety bonds outstanding in respect of its operations in Brazil, Mauritania, Ghana and Chile. These have been issued pursuant to arrangements with certain international banks.

As at December 31, 2017, $254.7 million (December 31, 2016 - $216.7 million) of surety bonds were outstanding with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

The following table outlines the credit facility utilization and availability:

	As at, December 31,	
(in millions)	**2017**	**2016**
Utilization of revolving credit facility	**$ (21.0)**	$ (104.5)
Utilization of EDC facility	**(215.2)**	(215.1)
Borrowings	**$ (236.2)**	$ (319.6)
Available under revolving credit facility	**$ 1,479.0**	$ 1,395.5
Available under EDC credit facility	**84.8**	34.9
Available credit	**$ 1,563.8**	$ 1,430.4

Total debt of $1,732.6 million at December 31, 2017 consists solely of the senior notes. The current portion of this debt at December 31, 2017 is $nil.

Liquidity Outlook

As at December 31, 2017, the Company had no scheduled debt repayments until 2021.

We believe that the Company's existing cash and cash equivalents balance of $1,025.8 million, available credit of $1,563.8 million, and expected operating cash flows based on current assumptions (noted in Section 3 of this MD&A) will be sufficient to fund operations, our forecasted exploration and capital expenditures (noted in Section 3 of this MD&A), and reclamation and remediation obligations currently estimated for 2018. Prior to any capital investments, consideration is given to the cost and availability of various sources of capital resources.

With respect to 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 traditional bank loans and capital available through debt capital market transactions may fund a portion of the Company's longer term capital expenditure requirements. Another possible source of capital could 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

The following table summarizes our long-term financial liabilities and off-balance sheet contractual obligations as at December 31, 2017:

(in millions)	Total	2018	2019	2020	2021	2022	2023 & thereafter
Long-term debt obligations [(a)]	$ 1,750.0	$ —	$ —	$ —	$ 500.0	$ —	$ 1,250.0
Operating lease obligations	49.9	25.9	12.5	4.9	2.9	2.9	0.8
Purchase obligations [(b)]	822.3	462.0	285.2	5.9	34.5	0.1	34.6
Reclamation and remediation obligations	1,183.7	64.4	65.0	55.6	117.5	62.4	818.8
Interest and other fees [(a)]	972.0	104.6	102.9	102.9	102.9	74.9	483.8
Total	$ 4,777.9	$ 656.9	$ 465.6	$ 169.3	$ 757.8	$ 140.3	$ 2,588.0

(a) Debt repayments are based on amounts due pursuant to the terms of existing indebtedness.
(b) Includes both capital and operating commitments, of which $192.7 million relates to commitments for capital expenditures.

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.

The following table provides a summary of derivative contracts outstanding at December 31, 2017:

Foreign currency	2018	2019	2020
Brazilian real forward buy contracts (in millions of U.S. dollars)	**$ 69.6**	**$ —**	**$ —**
Average price (Brazilian reais)	**3.32**	—	—
Brazilian real zero cost collars (in millions of U.S. dollars)	**$ 25.2**	**$ 60.0**	**$ —**
Average put strike (Brazilian reais)	**3.75**	**3.45**	—
Average call strike (Brazilian reais)	**4.12**	**3.64**	—
Canadian dollar forward buy contracts (in millions of U.S. dollars)	**$ 40.5**	**$ 18.0**	**$ —**
Average rate (Canadian dollars)	**1.35**	**1.28**	—
Russian rouble zero cost collars (in millions of U.S. dollars)	**$ 24.0**	**$ —**	**$ —**
Average put strike (Russian roubles)	**60.0**	—	—
Average call strike (Russian roubles)	**71.2**	—	—
WTI oil swap contracts (barrels)	**907,482**	**594,451**	**90,000**
Average price	**$ 48.48**	**$ 49.86**	**$ 52.40**

The following new derivative contracts were entered into during the year ended December 31, 2017:

- $58.5 million Canadian dollars at an average rate of 1.33 maturing in 2018 to 2019;
- $24.0 million Russian roubles with an average put strike of 60.00 and an average call strike of 71.24 maturing in 2018;
- $69.6 million Brazilian reais at an average rate of 3.32 maturing in 2018;
- $60.0 million Brazilian reais with an average put strike of 3.45 and an average call strike of 3.64 maturing in 2019;
- 1,048,000 barrels of WTI oil at an average rate of $49.46 per barrel maturing from 2017 to 2020.

Subsequent to December 31, 2017, the following new derivative contracts were entered into:

- $24.0 million Russian roubles with an average put strike 57.00 and average call strike 67.50 maturing in 2019;
- $58.5 million Brazilian reais with an average put strike of 3.32 and an average call strike of 3.66 maturing in 2019;
- 348,000 barrels of WTI oil at an average rate of $53.39 per barrel maturing in 2019 to 2020.

The Company enters into total return swaps ("TRS") as economic hedges of the Company's deferred share units and cash-settled restricted share units. Hedge accounting was not applied to the TRSs. At December 31, 2017, 5,695,000 TRS units were outstanding.

Fair value of derivative instruments

The fair values of derivative instruments are noted in the table below:

(in millions)	As at, December 31, 2017	2016
Asset (liability)		
Foreign currency forward and collar contracts	**$ 6.1**	$ 8.9
Energy swap contracts	**12.9**	12.3
Total return swap contracts	**0.6**	(6.2)
	$ 19.6	$ 15.0

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.

Maricunga regulatory proceedings

In late 2013, Compania Minera Maricunga ("CMM") was fined approximately $40,000 in respect of the degradation of the Pantanillo wetland located near the Maricunga mine's water pumping wells. CMM paid the fine, as required, and sought governmental approval of remedial action plans aimed at addressing the degradation. CMM's remedial action plans were not fully approved and only a subset of CMM's planned activities were allowed to be implemented. In May 2015, the Chile environmental enforcement authority ("the SMA") issued a resolution alleging that CMM had irreparably harmed portions of the Pantanillo wetland and two other downstream wetlands known respectively as Valle Ancho and Barros Negros, and that the mine's continuing water use poses an imminent risk to those wetlands. In response, CMM submitted legal and technical defenses, expert reports and other materials challenging the SMA's allegations, and, complied with various information requests from the SMA. On March 18, 2016, the SMA issued a resolution against CMM in respect of the SMA's May 2015 allegations regarding the Valle Ancho wetland, located approximately 7 kilometres downgradient from CMM's groundwater wells supplying water to the operation, seeking to impose a sanction of an immediate complete curtailment of water use from the groundwater wells and related aquifer (the "sanction proceedings"). Beginning in May 2016, the SMA issued a series of resolutions ordering CMM to "temporarily" curtail the pumping of water from the groundwater wells. In response, CMM suspended mining and crushing activities and reduced water consumption to minimal levels. CMM contested these resolutions by seeking reconsideration with the SMA and appealing to Chile's Environmental Tribunal, but its efforts were unsuccessful and, except for a short period of time in July 2016, the Company's operations have remained suspended. On June 24, 2016, the SMA amended its initial sanction (the "Amended Sanction"). The terms of the Amended Sanction effectively required CMM to cease operations and close the mine, with water use curtailed to levels far below those required for closure in compliance with the mine's government-approved plan. On July 9, 2016, CMM filed its appeal in the sanction proceedings. As part of its appeal, CMM submitted legal and technical arguments and reports by experts on wetland vegetation, analysis of long-term satellite imagery and groundwater hydrology criticizing the evidence relied upon by the SMA and concluding that current data does not support an assertion that CMM's pumping is negatively impacting water levels 7 kilometres downgradient at the Valle Ancho wetland. On August 30, 2016, CMM submitted a request to the Environmental Tribunal that it issue an injunction suspending the effectiveness of the Amended Sanction pending a final decision on the merits of CMM's appeal of the Amended Sanction. On September 16, 2016, the Environmental Tribunal rejected CMM's injunction request. On August 7, 2017, the Environmental Tribunal upheld the SMA's Amended Sanction and curtailment orders on purely procedural grounds. No findings were made by the Tribunal on the issue of whether CMM's pumping caused damage to area wetlands, as alleged by the SMA. On September 27, 2017, CMM appealed the matter to the Supreme Court of Chile, which accepted the appeal on December 14, 2017. The timing of any substantive decision by the Supreme Court is uncertain.

On June 2, 2016, CMM was served with two separate lawsuits filed by the Chilean State Defense Counsel. Both lawsuits are based upon allegations that CMM's pumping from its Pantanillo area groundwater wells has caused damage to area wetlands. One action relates to the Pantanillo wetland, and is based upon the sanction imposed upon CMM in late 2013 (as described above). The other action relates to the Valle Ancho wetland, and is largely based upon the same factual assertions at issue in the SMA sanction proceedings. These lawsuits seek, among other things, to require CMM to cease pumping from the groundwater wells, finance various investigations and conduct restoration activities. On June 20, 2016, CMM filed its defenses. Evidentiary hearings before the Environmental Tribunal occurred in 2016 and early 2017, and closing arguments occurred in December 2017. The timing of any substantive decision by the Environmental Tribunal is uncertain.

On May 19, 2017, a release of diesel fuel occurred from a power generation area of the Rancho del Gallo Camp. The release occurred when a pipe valve attached to a fuel tank was opened by an unknown party, effectively draining the tank. CMM estimates that approximately 15,000 litres of diesel escaped containment affecting the surrounding soil and a nearby stream. After discovering the release, CMM commenced actions designed to contain the release, including mobilization of a third-party response team, and has addressed both localized and downstream impacts of the release. CMM notified the relevant authorities of the release, and has kept them informed of its response activities. Various agencies, including the SMA, have reviewed, or are reviewing the situation and have requested information from CMM. Further, the SEC (Superintendencia de Electridad y Combustibles), the agency that regulates fuel facilities and electrical power, commenced an administrative action against CMM for alleged regulatory non-compliances at the facility. The SEC action, or other legal actions relating to the release, could result in the imposition of fines or other sanctions against CMM or its employees.

La Coipa permit proceedings

MDO suspended operations at the La Coipa mine in the fourth quarter of 2013, in accordance with the mine's permit MDO continued its water treatment program ("WTP") to remediate levels of mercury in the ground water due to seepage from its tailing facility. La Coipa's WTP, related facilities and monitoring program, including downstream monitoring wells, have been in place since 2000. The mine's groundwater treatment permit establishes a very low standard for mercury of 1 part per billion. The La Coipa mine has four monitoring wells at or near its downstream property boundary at which exceedance of the permitted standards have not been detected.

In 2015, the SMA conducted an inspection of the WTP and monitoring wells and requested certain information regarding those facilities and their performance, with which MDO fully cooperated. On March 16, 2016, the SMA issued a resolution alleging violations under the WTP. The resolution specified a total of seven charges, alleging permit violations at the WTP and/or failure to properly permit certain related activities, including capturing water at an undesignated reservoir, deficiencies in the mercury capture system, deficiencies in the monitoring system, WTP effluent samples from 2013 above the permitted standard, and WTP monitoring well samples from 2013 and 2014 above the permitted standard. On April 15, 2016, MDO submitted a compliance plan to remediate the alleged permit violations which, following further submissions to the SMA, was ultimately accepted on July 7, 2016. As a result, the sanctioning process has been suspended without any fine or other penalty to MDO provided the plan is implemented and maintained per its terms. Failure to comply with the plan will re-initiate the sanction process and could result in doubled fines of up to $7.7 million per alleged minor violation (five in total) and $15.4 million per alleged serious violation (two in total).

On October 14, 2016, six members of a local indigenous community commenced an action in the Copiapo Court of Appeals challenging the recent approval of the DIA permit for La Coipa's Phase 7 project. On January 13, 2017, the Court of Appeals rejected the legal challenge, which the plaintiffs have not appealed and their right to do so has lapsed. As with any permit, the Phase 7 DIA is open to challenge in other venues, which the Company will vigorously oppose. If such a challenge were brought and successful in its ultimate disposition, the DIA could be revoked, requiring the mine to undertake a more rigorous and lengthy Environmental Impact Study, which in approving the DIA the Chilean environmental permitting authority had deemed unnecessary.

Sunnyside litigation

The Sunnyside Mine is an inactive mine situated in the so-called Bonita Peak Mining District ("District") near Silverton, Colorado. A subsidiary of Kinross, Sunnyside Gold Corporation ("SGC"), was involved in operations at the mine from 1985 through 1991 and subsequently conducted various reclamation and closure activities at the mine and in the surrounding area. In the third quarter of 2016, the Environmental Protection Agency (the "EPA") listed the District, including areas impacted by SGC's operations and closure activities, on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). SGC has challenged portions of the CERCLA listing in the United States Court of Appeals for District of Columbia Circuit. The EPA has notified SGC that SGC is a potentially responsible party under CERCLA and may be jointly and severally liable for cleanup of the District or cleanup costs incurred by the EPA in the District. The EPA may in the future provide similar notification to Kinross. On August 5, 2015, while working in another mine in the District known as the Gold King, the EPA caused a release of approximately three million gallons of contaminated water into a tributary of the Animas River. In the second quarter of 2016, the State of New Mexico filed a Complaint naming the EPA, SGC, Kinross and others alleging violations of CERCLA, the Resource Conservation and Recovery Act ("RCRA"), and the Clean Water Act ("CWA") and claiming negligence, gross negligence, public nuisance and trespass. The Complaint seeks cost recovery, damages, injunctive relief, and attorney's fees. In the third quarter of 2016, the Navajo Nation initiated litigation against the EPA, SGC and Kinross, alleging entitlement to cost recovery under CERCLA for past and future costs incurred, negligence, gross negligence, trespass, and public and private nuisance, and seeking reimbursement of past and future costs, compensatory, consequential and punitive damages, injunctive relief and attorneys' fees. The suits brought by New Mexico and the Navajo Nation have been consolidated. In the third quarter of 2017, the State of Utah filed a Complaint naming SGC, Kinross and others alleging negligence, gross negligence, public nuisance, trespass, and violation of the Utah Water Quality Act and the Utah Solid and Hazardous Waste Act. The Complaint seeks cost recovery, compensatory, consequential and punitive damages, penalties, disgorgement of profits, declaratory, injunctive and other relief under CERCLA, attorney's fees, and costs.

Kettle River-Buckhorn regulatory proceedings

Crown Resources Corporation ("Crown") is the holder of a waste discharge permit (the "Permit") in respect of the Buckhorn Mine, which authorizes and regulates mine-related discharges from the mine and its water treatment plant. On February 27, 2014, the Washington Department of Ecology (the "WDOE") renewed the Buckhorn Mine's National Pollution Discharge Elimination System Permit (the "Renewed Permit"), with an effective date of March 1, 2014. The Renewed Permit contained conditions that were more restrictive than the original discharge permit. In addition, the Crown felt that the Renewed Permit was internally inconsistent, technically unworkable and inconsistent with existing agreements in place with the WDOE, including a settlement agreement

previously entered into by Crown and the WDOE in June 2013 (the "Settlement Agreement"). On February 28, 2014, Crown filed an appeal of the Renewed Permit with the Washington Pollution Control Hearings Board ("PCHB"). In addition, on January 15, 2015, Crown filed a lawsuit against the WDOE in Ferry County Superior Court, Washington, claiming that the WDOE breached the Settlement Agreement by including various unworkable compliance terms in the Renewed Permit (the "Crown Action"). On July 30, 2015, the PCHB upheld the Renewed Permit. Crown filed a Petition for Review in Ferry County Superior Court, Washington, on August 27, 2015, seeking to have the PCHB decision overturned. On March 13, 2017, the Ferry County Superior Court upheld the PCHB's decision. On April 12, 2017, Crown appealed the Ferry County Superior Court's ruling to the State of Washington Court of Appeals, where the matter remains pending.

On July 19, 2016, the WDOE issued an Administrative Order ("AO") to Crown and Kinross Gold Corporation asserting that the companies had exceeded the discharge limits in the Renewed Permit a total of 931 times and has also failed to maintain the capture zone required under the Renewed Permit. The AO orders the companies to develop an action plan to capture and treat water escaping the capture zone, undertake various investigations and studies, revise its Adaptive Management Plan, and report findings by various deadlines in the fourth quarter 2016. The companies timely made the required submittals. On August 17, 2016, the companies filed an appeal of the AO with the PCHB (the "AO Appeal"). Because the AO Appeal raises many of the same issues that have been raised in the Appeal and Crown Action, the companies and

WDOE agreed to stay the AO Appeal indefinitely to allow these matters to be resolved. The PCHB granted the request for stay on August 26, 2016. The stay is affirmed by the PCHB upon receipt of applicable filings. The stay was most recently affirmed on January 30, 2018.

On November 30, 2017, the WDOE issued a Notice of Violation ("NOV") to Crown and Kinross asserting that the companies had exceeded the discharge limits in the Permit a total of 113 times during the 3rd quarter of 2017 and also failed to maintain the capture zone as required under the Permit. The NOV ordered the companies to file a report with WDOE identifying the steps which have been and are being taken to "control such waste or pollution or otherwise comply with this determination," which report was filed on January 19, 2018. Following its review of this report, WDOE may issue an AO or other directives to the Company. The NOV is not immediately appealable, but any subsequent AO or other directive relating to the NOV may be appealed, as appropriate.

Crown also faces potential legal actions by non-governmental organizations relating to the Permit and the renewed Permit. In the past, Crown and Kinross Gold U.S.A., Inc. have received Notice of Intent to Sue letters from the Okanogan Highlands Alliance ("OHA") advising that it intends to file a citizen's suit against Crown under the CWA for alleged violations of the Permit, renewed Permit and the CWA, including failure to adequately capture and treat mine-impacted groundwater and surface water at the site in violation of the Permit and renewed Permit. OHA's notice letters further recite that the CWA authorizes injunctive relief and civil penalties in the amount of up to $37,500 per day per violation. However, to date, OHA has not filed a lawsuit.

7. SUMMARY OF QUARTERLY INFORMATION

	2017				2016			
(in millions, except per share amounts)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1 (a)**
Metal sales	**$ 810.3**	**$ 828.0**	**$ 868.6**	**$ 796.1**	$ 902.8	$ 910.2	$ 876.4	$ 782.6
Net earnings (loss) attributable to common shareholders	**$ 217.6**	**$ 60.1**	**$ 33.1**	**$ 134.6**	$ (116.5)	$ 2.5	$ (25.0)	$ 35.0
Basic earnings (loss) per share attributable to common shareholders	**$ 0.17**	**$ 0.05**	**$ 0.03**	**$ 0.11**	$ (0.09)	$ 0.00	$ (0.02)	$ 0.03
Diluted earnings (loss) per share attributable to common shareholders	**$ 0.17**	**$ 0.05**	**$ 0.03**	**$ 0.11**	$ (0.09)	$ 0.00	$ (0.02)	$ 0.03
Net cash flow provided from operating activities	**$ 366.4**	**$ 197.7**	**$ 179.7**	**$ 207.8**	$ 302.6	$ 266.2	$ 315.9	$ 214.5

(a) The interim financial statements for the three months ended March 31, 2016, were recast to reflect the retrospective impact of the finalization of the purchase price allocation of the acquisition of Bald Mountain and 50% of Round Mountain.

The Company's results over the past several quarters have been driven primarily by fluctuations in the gold price, input costs and changes in gold equivalent ounces sold. Fluctuations in the silver price have also affected results.

During the fourth quarter of 2017, revenue decreased to $810.3 million on total gold equivalent ounces sold of 634,762 compared with $902.8 million on sales of 743,427 total gold equivalent ounces during the fourth quarter of 2016. The average gold price realized in the fourth quarter of 2017 was $1,276 per ounce compared with $1,217 per ounce in the fourth quarter of 2016.

Production cost of sales decreased to $414.5 million compared with $529.4 million in the same period of 2016, primarily due to a decrease in gold equivalent ounces sold and lower costs realized at Fort Knox.

Fluctuations in foreign exchange rates have also affected results. Depreciation, depletion and amortization varied between each of the above quarters largely due to changes in gold equivalent ounces sold and depreciable asset bases. In addition, changes in mineral reserves during each of these years affected depreciation, depletion and amortization for quarters in the subsequent year.

On March 28, 2017, the Company announced that it entered into an agreement with Goldcorp to sell its 25% interest in the Cerro Casale project and its 100% interest in the Quebrada Seca exploration project in Chile. On June 9, 2017, the Company completed the sale for gross cash proceeds of $260.0 million (which included $20.0 million for Quebrada Seca). In connection with the sale, the Company recognized a gain on disposition of $12.7 million during the three months ended June 30, 2017.

On May 18, 2017, the Company entered into an agreement with White Gold Corp. to sell its 100% interest in the White Gold exploration project in the Yukon Territory. On June 14, 2017, the Company completed the sale and recognized a loss on disposition of $1.7 million for the three months ended June 30, 2017.

On September 18, 2017, the Company entered into an agreement with Integra to sell its 100% interest in DeLamar. On November 3, 2017, the Company completed the sale and recognized a gain of $44.2 million.

In the fourth quarter of 2017, the Company recorded a net, after-tax, impairment reversal of $62.1 million related to impairment reversals at its Tasiast and Fort Knox CGUs, offset by an impairment charge at its Paracatu CGU.

During the third quarter of 2016, the Company recorded an impairment charge of $139.6 million relating to its Maricunga CGU as a result of the suspension of mining and crushing activities. The impairment charge included $68.3 million related to property, plant and equipment and $71.3 million related to inventory.

On January 11, 2016, Kinross completed the acquisition of Bald Mountain and the remaining 50% interest in Round Mountain from Barrick for $610.0 million in cash, subject to a working capital adjustment. In April 2016, the Company received $22.0 million in cash from Barrick in connection with the working capital adjustment, which reduced the final purchase price to $588.0 million.

Net operating cash flows increased to $366.4 million in the fourth quarter of 2017, compared with $302.6 million in the same period of 2016, primarily due to the increase in margins.

8. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission, under the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") 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 control over financial reporting. This evaluation is done under the supervision of, and with the participation of, the Chief Executive Officer and the Chief Financial Officer.

As of the end of the period covered by this MD&A and the accompanying financial statements, Kinross' management evaluated the effectiveness of its disclosure controls and procedures and internal control over financial reporting. In making this assessment, management used the criteria specified in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that Kinross' disclosure controls and procedures, and internal control over financial reporting were effective as at December 31, 2017.

Limitations of Controls and Procedures

Kinross' management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal control 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. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ACCOUNTING CHANGES

Critical Accounting Policies and Estimates

Critical accounting policies and estimates are disclosed in Note 5 of the financial statements.

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the IASB are disclosed in Note 4 of the financial statements.

10. RISK ANALYSIS

The business of Kinross contains significant risk due to the nature of mining, exploration, and development activities. Certain risk factors, including but not limited to those listed below, are similar across the mining industry while others are specific to Kinross. The risk factors below may include details of how Kinross seeks to mitigate these risks where possible. For additional discussion of risk factors please refer to the Company's Annual Information Form for the year ended December 31, 2016, which is available on the Company's website *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, 2017, which will be filed on SEDAR on or about March 31, 2018.

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 jewelry 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 U.S. 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.

In 2017, the Company's average realized gold price increased to $1,260 per ounce from $1,249 per ounce in 2016. If the world market price of gold and/or silver continued to drop and the prices realized by Kinross on gold and/or silver sales were to decrease further 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, possibly material. Kinross may curtail or suspend some or all of its exploration activities, with the result that depleted mineral reserves are not replaced. In addition, the market value of Kinross' gold and/or silver inventory may be reduced and existing mineral reserves and resource estimates 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 geological 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 incidental to exploration, development and production of gold and silver, any of which could result in damage to life or property, or 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, tailings dam failures or other conditions, may be encountered in the drilling, processing 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 mineral 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 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 appropriate and cost-effective coverage is obtained.

Environmental Impact and Related Regulatory Risk

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. The Company may be held responsible for the costs of addressing contamination at, or arising from, current or former activities. Environmental liability may result from activities conducted by others prior to the ownership of a property by Kinross. In addition, Kinross may be liable to third parties for exposure to hazardous materials or substances, or may otherwise be involved in civil litigation related to environmental claims. The costs associated with such responsibilities and liabilities may be substantial. 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' operations and exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, production, imports/exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine closure, 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 laws and regulations, including those pertaining to the rights of leaseholders or the payment of royalties, net profit interest or similar obligations, could adversely affect Kinross' operations or substantially increase the costs associated with those operations. Kinross is unable to predict what new legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective.

Certain of the Company's operations are the subject of ongoing regulatory review and evaluation by governmental authorities. These may result in additional regulatory actions against the affected operating subsidiaries, and may have an adverse effect on the Company's future operations and/or financial condition. For further details refer to Section 6 —Other legal matters.

Reclamation Costs

In certain jurisdictions in which the Company has operations, the Company is required to submit a reclamation plan for its applicable operations to address post-operation reclamation obligations. The Company may incur significant costs in connection with these reclamation activities, which may exceed the provisions the Company has made in respect of its reclamation obligations. In some jurisdictions, reclamation bonds, letters of credit or other forms of financial assurance are required as security for these reclamation obligations. The amount and nature of financial assurance are dependent upon a number of factors, including the Company's financial condition and reclamation cost estimates. Kinross may be required to replace or supplement the existing financial assurance, or source new financial assurance with more expensive forms, which might include cash deposits, which would reduce its cash available for operations and financing activities. There can be no assurance that Kinross will be able to maintain or add to its current level of financial assurance. To the extent that Kinross is or becomes unable to post and maintain sufficient financial assurance for reclamation costs, it could potentially result in closure of one or more of the Company's operations, which could have a material adverse effect on the financial condition of the Company.

Internal Controls

Kinross has invested resources to document and assess its system of internal control over financial reporting and undertakes continuous

evaluation of such internal controls. Internal control 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, safeguards with respect to the reliability of financial reporting and financial statement preparation.

Kinross is required to satisfy the requirement of Section 404 of the U.S. Sarbanes-Oxley Act of 2002 ("SOX"), 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 operating 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 control over financial reporting in accordance with SOX. Kinross' failure to satisfy SOX requirements 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 is committed to ensure ongoing compliance, Kinross cannot be certain that it will be successful in complying with SOX.

Indebtedness and an Inability to Satisfy Repayment Obligations

Although Kinross has been successful in repaying debt historically, there can be no assurance that it can continue to do so. Kinross' level of indebtedness could have important and potentially adverse 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; (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, legal 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 covenant(s), 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.

Mineral Reserve and Mineral Resource Estimates

Mineral reserve 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 metal prices may render the mining of mineral reserves and mineral resources uneconomical 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, 2017, based upon a gold price of $1,200 per ounce of gold.

Prolonged declines in the market price of gold below this level may render mineral reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could materially reduce Kinross' mineral reserve estimates. Should such reductions occur, material write-downs of Kinross' investments 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.

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.

There are numerous uncertainties inherent in estimating proven and probable mineral reserves. The estimates in this document are based on various assumptions relating to metal 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.

Development Projects

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. Kinross is dependent on future growth from development projects. Development projects rely on the accuracy of predicted factors including: capital and operating costs; metallurgical recoveries; mineral 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 requirements, governmental intervention, infrastructure limitations, environmental issues, disputes with local communities or other events, could result in one or more of our planned developments becoming impractical or uneconomic. 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 at significant risk of 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.

Production and Cost Estimates

The Company prepares estimates of future production, operating costs and capital costs for its operations. Despite the Company's best efforts to budget and estimate such costs, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation and increase of costs over time, development projects may be prone to material cost overruns. Kinross' actual production and costs may vary from estimates for a variety of reasons, including: increased competition for resources and development inputs; cost inflation affecting the mining industry in general; actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short term operating factors including relating to the ore mineral 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 development, mining and processing; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages, strikes or other disruptions. Costs of production may also be affected by a variety of factors, including: ore grade, ore hardness, metallurgy, changing waste-to-ore ratios, labour costs, cost of services, commodities (such as power and fuel) and other inputs, general inflationary pressures and currency exchange rates. Many of these factors are beyond Kinross' control. No assurance can be given that Kinross' cost 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.

Shortages and Price Volatility of Input Commodities, Services and Other Inputs

The Company is dependent on various input commodities (such as diesel fuel, electricity, natural gas, steel, concrete and cyanide), labour, and equipment (including parts) to conduct its mining operations and development projects. A shortage of such input commodities, labour, or equipment or a significant increase in their costs 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 and electricity to carry out its mining operations, and such access and supply may not be readily available, especially at the Company's operations in Chile, Brazil and Ghana. Market prices of input 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, labour, or equipment may affect the timely conduct and cost of Kinross' operations and development projects. If the costs of certain input 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.

Political Developments and Uncertainty regarding the Russian Federation

Ongoing political tensions and uncertainties with respect to the Russian Federation (including as a result of the Russian Federation's foreign policy decisions, actions in respect of Ukraine and allegations of cyberattacks and other interference with the 2016 U.S. presidential elections) have resulted in the imposition of sectoral and other economic sanctions, and increased the risk that the U.S. and certain other governments may impose further economic, or other, sanctions or penalties on, or may take other actions against, the Russian Federation or on persons and/or companies conducting business in the Russian Federation or may otherwise act in support of Ukraine. There can be no assurance that sanctions or other penalties will not be imposed, or other actions will not be taken, by the Russian Federation, including in response to existing or threatened sanctions or other penalties or actions by the United States, Canada or the European Union and/or other governments against the Russian Federation or persons and/or companies conducting business in the Russian Federation. The imposition of such economic sanctions or other penalties, or such other actions by the Russian Federation and/or other governments, could have a material adverse effect on the Company's assets and operations.

Uncertainty in Mauritania

Kinross is subject to political, economic and security risks which, should they materialize, may adversely affect the Company's ability to operate its Tasiast mine in Mauritania. These risks include but are not limited to the following: (1) the potential that the government may attempt to renegotiate current mining conventions or to revoke existing stability provisions in those conventions; (2) potential political instability; (3) the security situation in the country may deteriorate; (4) a lack of transparency in the operation of the government and development of new laws; (5) the potential for laws and regulations to be inconsistently applied; (6) the conversion of exploration licenses to exploitation licenses, including the pending conversion request for Tasiast Sud; and (7) a number of public policy issues material to the economic viability of the current operation or any possible expansion may not be positively resolved. These issues include, but are not limited to, a process and timetable for payment or offset of VAT refunds owed by the government to the Company, the long-term stability in the Company's relationship with the workers' union, the application of a clear, comprehensive, legally certain and enforceable VAT exemption for the mining industry, labor force management and flexible labor practices and the timely issuance of work permits for the non-national workforce.

U.S. Environmental Liability Risk

In the United States, certain mining wastes from extraction and processing of ores that would otherwise be considered hazardous waste under the U.S. *Resource Conservation and Recovery Act* ("RCRA") and state law equivalents, are currently exempt from certain U.S. Environmental Protection Agency ("EPA") regulations governing hazardous waste. If mine wastes from the Company's U.S. mining operations, including those at the Sunnyside Mine (see Section 6 — Other legal matters), are not exempt, and are treated as hazardous waste under the RCRA, material expenditures could be required for waste management and/or the construction of additional waste disposal facilities. In addition, the Company's activities and ownership interests potentially expose the Company to liability under the *Comprehensive Environmental Response, Compensation, and Liability Act* ("CERCLA") and its state law equivalents. Under CERCLA and its state law equivalents, subject to certain defenses, any present or past owners or operators of a facility, and any parties that disposed or arranged for the disposal of hazardous substances at such a facility, could be held jointly and severally liable for cleanup costs and may be forced to undertake remedial cleanup actions or to pay for the cleanup efforts in response to unpermitted releases of hazardous substances. Such parties may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon the Company's operations, tailings, and waste disposal areas as well as upon mine closure under federal and state environmental laws and regulations, including, without limitation, the U.S. *Clean Water Act* ("CWA") and state law equivalents. Air emissions in the U.S. are subject to the *Clean Air Act* and its state equivalents as well. Additionally, the Company is subject to other federal and state environmental laws, and potential claims existing under common law, relating to the operation and closure of the Company's U.S. mine sites.

Political, Security, Legal and Economic Risk

The Company has mining and exploration operations in various regions of the world, including the United States, Brazil, Chile, the Russian Federation, Mauritania, Ghana, and Canada and such operations are exposed to various levels of political, security, legal, 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; crime, including organized criminal enterprise; thefts and illegal incursions on property (including as occur at Paracatu and Tasiast) which illegal incursions could result in serious security and operational issues, including the endangerment of life and property; 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 (including at Tasiast) could result in serious environmental, social, political, security and operational issues, including the endangerment of life and property; adequacy, response and training of local law enforcement; 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 including value added and withholding taxes, royalties, 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 development projects and 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. Applicable governmental authorities may revoke or refuse to issue, amend or renew necessary permits. The loss of such permits may hinder Kinross' ability to operate and could have a material effect on Kinross' financial performance and results of operations. 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 of or operation of mining facilities, or to maintain continued operations that economically justify the cost. Kinross endeavors to be in compliance with these licenses and permits, and underlying laws and regulations, at all times.

Title to Properties and Community Relations

The validity of mining rights, including mining claims which constitute most of Kinross' property holdings, may, in certain cases, be uncertain and subject to being contested. Kinross' mining rights, claims and other land 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 explore, 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 explore, develop or operate its mining properties.

Competition

The mineral exploration and mining business is competitive in all of its phases. In the search for and the acquisition of attractive mineral properties, Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Kinross. 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 new 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 Arrangements

Certain of the operations in which the Company has an interest are operated through joint arrangements 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 arrangement. 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, among other things, 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 2017, sensitivity to a 10% change in the gold price is estimated to have an approximate $280 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 2017, sensitivity to a 10% change in the silver price is estimated to have an approximate $6 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 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. Kinross' practice is not to hedge metal sales. On occasion, however, the Company may assume or 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 at December 31, 2017, there were no metal derivative financial instruments outstanding. In addition, Kinross is not subject to margin requirements on any of its hedging lines.

Foreign Currency Exchange Risk

Currency fluctuations may affect the revenues which the Company will realize from its operations since gold and silver are 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 and silver 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 equivalents 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 Ghanaian cedis are convertible into Canadian and U.S. 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 11 of the Company's financial statements for the year ended December 31, 2017.

Litigation Risk

Legal proceedings may be brought against Kinross, for example, litigation based on its business activities, environmental laws, tax matters, 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. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result Kinross may be subject to expenses of investigations and defense, fines or penalties for violations if proven, and potentially cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings. 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.

Counterparty and Liquidity Risk

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. 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 affected, 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.

As at December 31, 2017, the Company's gross credit exposure, including cash and cash equivalents, was $1,358.7 million and at December 31, 2016, the gross credit exposure, including cash and cash equivalents, was $1,075.2 million.

Liquidity risk is the risk that the Company may not have sufficient cash resources available to meet its payment obligations. 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.

Credit Ratings

The Company's ability to access debt markets and the related cost of debt financing is dependent upon its credit ratings. The Company has a BBB- rating from Fitch Ratings, a Ba1 rating from Moody's and a BB+ rating from Standard & Poor's. There is no assurance that these credit ratings will remain in effect for any given period of time or that any such ratings will not be revised or withdrawn entirely by a rating agency. Real or anticipated changes in credit ratings can affect the price of the Company's existing debt as well as the Company's ability to access the capital markets and the cost of such debt financing.

Potential for Incurring Unexpected Costs or Liabilities as a Result of Acquisitions

Although the Company conducts investigations in connection with acquisitions, risks remain regarding any undisclosed or unknown liabilities associated with any such acquisitions, and 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 an acquisition 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 volatility and challenges that economies continue to experience around the world continues to affect the profitability and liquidity of businesses in many industries, which in turn has resulted in the following conditions that may have an effect on the profitability and cash flows of the Company:

- Volatility in commodity prices and foreign exchange rates;
- Tightening of credit markets;
- 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 affected the Company's liquidity.

The Company extended the maturity date of its revolving credit facility by one year to August 2022. As at December 31, 2017, the Company had $1,563.8 million available under its credit facility arrangements. However, continued tightening of credit markets may affect 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 relating 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 affect 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

Kinross' common shares are listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE"). The price of 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; increased political risk in countries where the Company operates; 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 TSX or NYSE further reducing market liquidity.

As a result of any of these factors, the market price of Kinross' common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation has been commenced against companies, including Kinross, following periods of volatility or significant decline in the market price of their securities. Securities litigation could result in substantial costs and damages and divert management's attention and resources. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's financial position.

Impairment

Kinross evaluates, on at least an annual basis, the carrying amount of its CGUs to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. Goodwill is required to be tested annually for impairment and Kinross performs this annual test at the end of the fourth quarter. In addition, at each reporting period end, Kinross assesses whether there is any indication that any of its CGUs' carrying amounts exceed their recoverable amounts, and if there is such an indication, the Company would test for potential impairment at that time. The recoverable amounts, or 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, some of which may be subjective, and it is possible that actual fair value could be significantly different than those estimates.

Paracatu Water Supply and Use

Operations at Paracatu are dependent on rainfall and river water capture 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 process plants. Similarly, surface runoff and rain water and water captured from the river is stored in the tailings impoundment, which constitutes the main water reservoir for the process plants. The objective is to capture and store as much water as possible during the rainy season to ensure adequate water supply during the dry season.

Accordingly, prolonged periods without adequate rainfall may adversely impact operations at Paracatu. As a result, production may fall below historic or forecast 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.

Human Resources

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. 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 are no longer available, Kinross and its business could be adversely affected. Kinross does not carry key-man life insurance with respect to its executives.

Cybersecurity Risks

The Company relies heavily on its information technology systems including, without limitation, its networks, equipment, hardware, software, telecommunications, and other information technology (collectively, "IT systems"), and the IT systems of its vendors and third-party service providers, to operate its business as a whole including mining operations and development projects.

IT systems are subject to an increasing threat of continually evolving cybersecurity risks including, without limitation, computer viruses, security breaches, and cyberattacks. In addition, the Company is subject to the risk of unauthorized access to its IT systems or its information through fraud or other means. Kinross' operations also depend on the timely maintenance, upgrade and replacement of its IT systems, as well as pre-emptive expenses to mitigate cybersecurity risks and other IT systems disruptions.

Although Kinross has not experienced any material losses to date relating to cybersecurity, or other IT systems disruptions, there can be no assurance that Kinross will not incur such losses in the future. Despite the Company's mitigation efforts including implementing an IT systems security risk management framework, the risk and exposure to these threats cannot be fully mitigated because of, among other things, the evolving nature of cybersecurity threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect IT systems from cybersecurity threats remain a priority. As these threats continue to evolve, the Company, its vendors and third-party service providers, including IT service providers, may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any cybersecurity vulnerabilities.

Any cybersecurity incidents or other IT systems disruption could result in production downtimes, operational delays, destruction or corruption of data, security breaches, financial losses from remedial actions, the theft or other compromising of confidential or otherwise protected information, fines and lawsuits, or damage to the Company's reputation. Any such occurrence could have an adverse impact on Kinross' financial condition and results of operations.

11. 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 Attributable to Common Shareholders and Adjusted Net Earnings per Share

Adjusted net earnings attributable 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 (reversals), 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 and earnings per share measures as determined under IFRS.

The following table provides a reconciliation of net earnings (loss) to adjusted net earnings for the periods presented:

(in millions, except per share amounts)	Years ended December 31, 2017	2016
Net earnings (loss) attributable to common shareholders - as reported	**$ 445.4**	$ (104.0)
Adjusting items:		
Foreign exchange losses	**4.9**	6.3
Gain on disposition of associate and interests and other assets - net	**(57.1)**	(9.7)
Foreign exchange losses (gains) on translation of tax basis and foreign exchange on deferred income taxes within income tax expense	**—**	(65.1)
Acquisition costs	**—**	7.8
Tax benefits realized upon acquisition	**—**	(27.7)
Impairment, net of reversals [(a)]	**(75.5)**	139.6
Taxes in respect of prior years	**41.7**	85.5
Mine curtailment and suspension related costs[(b)]	**16.6**	40.4
Reclamation and remediation expense	**9.5**	27.2
Chile weather event related costs	**3.3**	—
Insurance recoveries	**(17.5)**	(13.0)
Settlement of a royalty agreement	**(9.9)**	—
U.S. Tax Reform impact	**(93.4)**	—
Other[(c)]	**1.2**	3.8
Tax effect of the above adjustments [(d)]	**(90.5)**	1.9
	(266.7)	197.0
Adjusted net earnings attributable to common shareholders	**$ 178.7**	$ 93.0
Weighted average number of common shares outstanding - Basic	**1,246.6**	1,227.0
Adjusted net earnings per share	**$ 0.14**	$ 0.08

(a) During the year ended December 31, 2017, the Company recognized an impairment charge related to Paracatu of $253.0 million and reversals of impairment charges of $231.5 million related to property, plant and equipment at Tasiast and Fort Knox. The Company also recognized a reversal of impairment charges related to the disposal of its 25% interest in Cerro Casale of $97.0 million during the year ended December 31, 2017.

(b) Includes costs related to the temporary curtailment at Paracatu during the year ended December 31, 2017 of $16.6 million. During the year ended December 31, 2016, mine curtailment and suspension related costs includes costs related to the temporary suspension of operations at Tasiast and the suspension of mining activities at Maricunga.

(c) Other includes non-hedge derivatives losses (gains).

(d) Includes a net tax recovery of $83.6 million related to the impairment charge at Paracatu and impairment reversal at Fort Knox recognized during the year ended December 31, 2017.

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 for the periods presented:

(in millions)	Years ended December 31, 2017	2016
Net cash flow provided from operating activities - as reported	**$ 951.6**	$ 1,099.2
Adjusting items:		
Working capital changes:		
Accounts receivable and other assets	**(108.6)**	21.2
Inventories	**86.7**	(79.5)
Accounts payable and other liabilities, including taxes	**237.0**	(114.2)
	215.1	(172.5)
Adjusted operating cash flow	**$ 1,166.7**	$ 926.7

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 reported on the consolidated statement of operations 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.

The following table provides a reconciliation of consolidated and attributable production cost of sales per equivalent ounce sold for the periods presented:

(in millions, except ounces and production cost of sales per equivalent ounce)	Years ended December 31, 2017	2016
Production cost of sales - as reported	**$ 1,757.4**	$ 1,983.8
Less: portion attributable to Chirano non-controlling interest	**(20.0)**	(19.0)
Attributable production cost of sales	**$ 1,737.4**	$ 1,964.8
Gold equivalent ounces sold	**2,621,875**	2,778,902
Less: portion attributable to Chirano non-controlling interest	**(25,121)**	(20,596)
Attributable gold equivalent ounces sold	**2,596,754**	2,758,306
Consolidated production cost of sales per equivalent ounce sold	**$ 670**	$ 714
Attributable production cost of sales per equivalent ounce sold	**$ 669**	$ 712

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, except ounces and production cost of sales per ounce)	Years ended December 31, 2017	2016
Production cost of sales - as reported	**$ 1,757.4**	$ 1,983.8
Less: portion attributable to Chirano non-controlling interest	**(20.0)**	(19.0)
Less: attributable silver revenues	**(86.5)**	(102.5)
Attributable production cost of sales net of silver by-product revenue	**$ 1,650.9**	$ 1,862.3
Gold ounces sold	**2,553,178**	2,697,912
Less: portion attributable to Chirano non-controlling interest	**(25,070)**	(20,545)
Attributable gold ounces sold	**2,528,108**	2,677,367
Attributable production cost of sales per ounce sold on a by-product basis	**$ 653**	$ 696

Attributable All-In Sustaining Cost and All-In Cost per Ounce Sold on a By-Product Basis

In June 2013, the World Gold Council ("WGC") published its guidelines for reporting all-in sustaining costs and all-in costs. The WGC is a market development organization for the gold industry and is an association whose membership comprises leading gold mining companies including Kinross. Although the WGC is not a mining industry regulatory organization, it worked closely with its member companies to develop these non-GAAP measures. Adoption of the all-in sustaining cost and all-in cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Company may not be comparable to similar measures presented by other issuers. The Company believes that the all-in sustaining cost and all-in cost measures complement existing measures reported by Kinross.

All-in sustaining cost includes both operating and capital costs required to sustain gold production on an ongoing basis. The value of silver sold is deducted from the total production cost of sales as it is considered residual production. Sustaining operating costs represent expenditures incurred at current operations that are considered necessary to maintain current production. Sustaining capital represents capital expenditures at existing operations comprising mine development costs and ongoing replacement of mine equipment and other capital facilities, and does not include capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations.

All-in cost is comprised of all-in sustaining cost as well as operating expenditures incurred at locations with no current operation, or costs related to other non-sustaining activities, and capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations.

Attributable all-in sustaining cost and all-in cost per ounce sold on a by-product basis are calculated by adjusting total production cost of sales, as reported on the consolidated statement of operations, as follows:

	Years ended December 31,	
(in millions, except ounces and costs per ounce)	**2017**	**2016**
Production cost of sales - as reported	**$ 1,757.4**	$ 1,983.8
Less: portion attributable to Chirano non-controlling interest [a]	**(20.0)**	(19.0)
Less: attributable [b] silver revenues [c]	**(86.5)**	(102.5)
Attributable [b] production cost of sales net of silver by-product revenue	**$ 1,650.9**	$ 1,862.3
Adjusting items on an attributable [b] basis:		
General and administrative [d]	**132.6**	143.7
Other operating expense - sustaining [e]	**43.3**	18.6
Reclamation and remediation - sustaining [f]	**82.9**	94.9
Exploration and business development - sustaining [g]	**59.4**	50.8
Additions to property, plant and equipment - sustaining [h]	**421.5**	440.1
All-in Sustaining Cost on a by-product basis - attributable [b]	**$ 2,390.6**	$ 2,610.4
Other operating expense - non-sustaining [e]	**39.5**	25.6
Reclamation and remediation - non-sustaining [f]	**17.4**	34.9
Exploration - non-sustaining [g]	**45.8**	42.6
Additions to property, plant and equipment - non-sustaining [h]	**448.7**	160.1
All-in Cost on a by-product basis - attributable [b]	**$ 2,942.0**	$ 2,873.6
Gold ounces sold	**2,553,178**	2,697,912
Less: portion attributable to Chirano non-controlling interest [i]	**(25,070)**	(20,545)
Attributable [b] gold ounces sold	**2,528,108**	2,677,367
Attributable [b] all-in sustaining cost per ounce sold on a by-product basis	**$ 946**	$ 975
Attributable [b] all-in cost per ounce sold on a by-product basis	**$ 1,164**	$ 1,073

Attributable All-In Sustaining Cost and All-In Cost per Equivalent Ounce Sold

The Company also assesses its all-in sustaining cost and all-in cost on a gold equivalent ounce basis. Under these non-GAAP measures, the Company's production of silver is converted into gold equivalent ounces and credited to total production.

Attributable all-in sustaining cost and all-in cost per equivalent ounce sold are calculated by adjusting total production cost of sales, as reported on the consolidated statement of operations, as follows:

	Years ended December 31,	
(in millions, except ounces and costs per equivalent ounce)	**2017**	**2016**
Production cost of sales - as reported	**$ 1,757.4**	$ 1,983.8
Less: portion attributable to Chirano non-controlling interest [a]	**(20.0)**	(19.0)
Attributable [b] production cost of sales	**$ 1,737.4**	$ 1,964.8
Adjusting items on an attributable [b] basis:		
General and administrative [d]	**132.6**	143.7
Other operating expense - sustaining [e]	**43.3**	18.6
Reclamation and remediation - sustaining [f]	**82.9**	94.9
Exploration and business development - sustaining [g]	**59.4**	50.8
Additions to property, plant and equipment - sustaining [h]	**421.5**	440.1
All-in Sustaining Cost - attributable [b]	**$ 2,477.1**	$ 2,712.9
Other operating expense - non-sustaining [e]	**39.5**	25.6
Reclamation and remediation - non-sustaining [f]	**17.4**	34.9
Exploration - non-sustaining [g]	**45.8**	42.6
Additions to property, plant and equipment - non-sustaining [h]	**448.7**	160.1
All-in Cost - attributable [b]	**$ 3,028.5**	$ 2,976.1

Gold equivalent ounces sold	**2,621,875**	2,778,902
Less: portion attributable to Chirano non-controlling interest [(i)]	**(25,121)**	(20,596)
Attributable [(b)] gold equivalent ounces sold	**2,596,754**	2,758,306
Attributable [(b)] all-in sustaining cost per equivalent ounce sold	**$ 954**	$ 984
Attributable [(b)] all-in cost per equivalent ounce sold	**$ 1,166**	$ 1,079

(a) The portion attributable to Chirano non-controlling interest represents the non-controlling interest (10%) in the production cost of sales for the Chirano mine.

(b) “Attributable” includes Kinross’ share of Chirano (90%) production.

(c) “Attributable silver revenues” represents the attributable portion of metal sales realized from the production of the secondary or by-product metal (i.e. silver). Revenue from the sale of silver, which is produced as a by-product of the process used to produce gold, effectively reduces the cost of gold production.

(d) “General and administrative” expenses is as reported on the consolidated statement of operations, net of certain severance expenses. General and administrative expenses are considered sustaining costs as they are required to be absorbed on a continuing basis for the effective operation and governance of the Company.

(e) “Other operating expense — sustaining” is calculated as “Other operating expense” as reported on the consolidated statement of operations, less other operating and reclamation and remediation expenses related to non-sustaining activities as well as other items not reflective of the underlying operating performance of our business. Other operating expenses are classified as either sustaining or non-sustaining based on the type and location of the expenditure incurred. The majority of other operating expenses that are incurred at existing operations are considered costs necessary to sustain operations, and are therefore classified as sustaining. Other operating expenses incurred at locations where there is no current operation or related to other non-sustaining activities are classified as non-sustaining.

(f) “Reclamation and remediation - sustaining” is calculated as current period accretion related to reclamation and remediation obligations plus current period amortization of the corresponding reclamation and remediation assets, and is intended to reflect the periodic cost of reclamation and remediation for currently operating mines. Reclamation and remediation costs for development projects or closed mines are excluded from this amount and classified as non-sustaining.

(g) “Exploration and business development — sustaining” is calculated as “Exploration and business development” expenses as reported on the consolidated statement of operations, less non-sustaining exploration expenses. Exploration expenses are classified as either sustaining or non-sustaining based on a determination of the type and location of the exploration expenditure. Exploration expenditures within the footprint of operating mines are considered costs required to sustain current operations and so are included in sustaining costs. Exploration expenditures focused on new ore bodies near existing mines (i.e. brownfield), new exploration projects (i.e. greenfield) or for other generative exploration activity not linked to existing mining operations are classified as non-sustaining. Business development expenses are considered sustaining costs as they are required for general operations.

(h) “Additions to property, plant and equipment — sustaining” represents the majority of capital expenditures at existing operations including capitalized exploration costs, capitalized stripping and underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures and is calculated as total additions to property, plant and equipment (as reported on the consolidated statements of cash flows), less capitalized interest and non-sustaining capital. Non-sustaining capital represents capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations. Non-sustaining capital expenditures during the year ended December 31, 2017, primarily relate to projects at Tasiast.

(i) “Portion attributable to Chirano non-controlling interest” represents the non-controlling interest (10%) in the ounces sold from the Chirano mine.

(j) Average realized gold price is a non-GAAP financial measure and is defined as gold metal sales divided by the total number of gold ounces sold. This measure is intended to enable Management to better understand the price realized in each reporting period. The realized price measure does not have any standardized definition under IFRS and should not be considered a substitute for measure of performance prepared in accordance with IFRS.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A 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 MD&A. Forward-looking statements contained in this MD&A, include, but are not limited to, those under the headings (or headings that include): “Project Updates and New Developments” and “Outlook” and include, without limitation, statements with respect to our guidance for production, production costs of sales, all-in sustaining cost and capital expenditures; the schedules and budgets for the Company’s development projects; and continuous improvement initiatives, as well as references to other possible events, the future price of gold and silver,

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, currency fluctuations, capital requirements, project studies, mine life extensions, restarting suspended or disrupted operations; continuous improvement initiatives; and resolution of pending litigation. The words "advance", "anticipate", "assumption", "believe", "estimates", ''expects'', "forecast", "focus", "forward", "guidance", "initiative", "measures", "on budget", "outlook", "opportunity", "plan", "potential", "progress", "project", "projection", "well positioned", or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such 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 MD&A, 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 Management's Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company whether due to extreme weather events (including, without limitation, excessive or lack of rainfall, in particular, the potential for further production curtailments at Paracatu resulting from insufficient rainfall) and other or related natural disasters, labour disruptions (including but not limited to workforce reductions), supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations and production from the Company's operations being consistent with Kinross' current expectations including, without limitation, the maintenance of existing permits and approvals and the timely receipt of all permits and authorizations necessary for the development and operation of the Tasiast Phase Two expansion and the Round Mountain Phase W expansion including, without limitation, work permits, necessary import authorizations for goods and equipment and exploration license conversions at Tasiast; and land acquisitions and permitting for the construction and operation of the new tailings facility, water and power supply and launch of the new tailings reprocessing facility at Paracatu; (3) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any political tensions and uncertainty in the Russian Federation and Ukraine or any related sanctions and any other similar restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential power rationing, tailings facility regulation and amendments to mining laws in Brazil, potential amendments to water laws and/or other water use restrictions and regulatory actions in Chile, potential amendments to minerals and mining laws, energy levies laws, and dam safety regulation in Ghana, potential amendments to customs and mining laws (including but not limited amendments to the VAT) and regulations relating to work permits in Mauritania, the potential passing of Environmental Protection Agency regulations in the US relating to the provision of financial assurances under the Comprehensive Environmental Response, Compensation and Liability Act, and potential amendments to and enforcement of tax laws in Russia (including, but not limited to, the interpretation, implementation, application and enforcement of any such laws and amendments thereto), being consistent with Kinross' current expectations; (4) 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; (5) certain price assumptions for gold and silver; (6) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (7) production and cost of sales forecasts for the Company meeting expectations; (8) the accuracy of the current mineral reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates) and mine plans for the Company's mining operations (including but not limited to throughput and recoveries being affected by metallurgical characteristics at Paracatu); (9) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (10) the terms and conditions of the legal and fiscal stability agreements for the Tasiast and Chirano operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; (11) goodwill and/or asset impairment potential; (12) the regulatory and legislative regime regarding mining, electricity production and transmission (including rules related to power tariffs) in Brazil being consistent with Kinross' current expectations; and (13) access to capital markets, including but not limited to maintaining a debt rating 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: sanctions (any other similar restrictions or penalties) now or subsequently imposed, other actions taken, by, against, in respect of or otherwise impacting any jurisdiction in which the Company is domiciled or operates (including but not limited to the Russian Federation, Canada, the European Union and the United States), or any government or citizens of, persons or companies domiciled in, or the Company's business, operations or other activities in, any such jurisdiction; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as fuel and electricity); changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group gold producers and the Company, and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold or silver prices and lease rates, or global fuel prices, that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any financial 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 taxes/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, Mauritania, Ghana, or other countries in which Kinross does 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; litigation or other claims against, or regulatory investigations and/or any enforcement actions or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada and/or the United States, or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, the United States or any other applicable jurisdiction; 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, including but not limited to resulting in an impairment charge on goodwill and/or

assets. 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 MD&A 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. 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 70%-80% of the Company's costs are denominated in U.S. dollars.

A 10% change in foreign currency exchange rates would be expected to result in an approximate $17 impact on production cost of sales per ounce[2].

Specific to the Russian rouble, a 10% change in the exchange rate would be expected to result in an approximate $19 impact on Russian production cost of sales per ounce.

Specific to the Brazilian real, a 10% change in the exchange rate would be expected to result in an approximate $38 impact on Brazilian production cost of sales per ounce.

A $10 per barrel change in the price of oil would be expected to result in an approximate $3 impact on production cost of sales per ounce.

A $100 change in the price of gold would be expected to result in an approximate $4 impact on production cost of sales per ounce as a result of a change in royalties.

Other information

Where we say ''we'', ''us'', ''our'', the ''Company'', or ''Kinross'' in this MD&A, 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 mineral properties contained in this MD&A has been prepared under the supervision of Mr. John Sims, an officer of the Company, who is a "qualified person" within the meaning of National Instrument 43-101.

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[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.

Exhibit 99.3

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements, the notes thereto, and other financial information contained in the Management's 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's 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.

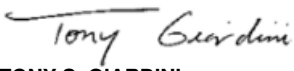
In order to discharge management's responsibility for the integrity of the financial statements, the Company maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded 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 the standards of the Public Company Accounting Oversight Board (United States).



J. PAUL ROLLINSON
President and Chief Executive Officer
Toronto, Canada
February 14, 2018



TONY S. GIARDINI
Executive Vice-President and Chief Financial Officer
Toronto, Canada
February 14, 2018

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 (2013) to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

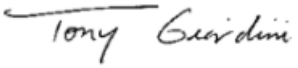
Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of Kinross' internal control over financial reporting as of December 31, 2017, and has concluded that such internal control over financial reporting is effective.

The effectiveness of Kinross' internal control over financial reporting as of December 31, 2017 has been audited by KPMG LLP, Chartered Professional Accountants, as stated in their report that appears therein.



J. PAUL ROLLINSON
President and Chief Executive Officer
Toronto, Canada
February 14, 2018



TONY S. GIARDINI
Executive Vice-President and Chief Financial Officer
Toronto, Canada
February 14, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Kinross Gold Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kinross Gold Corporation (the "Entity"), which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016, the consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2017 and December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on Internal Control Over Financial Reporting

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Entity's internal control over financial reporting as of December 31, 2017, based on the criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 14, 2018 expressed an unqualified (unmodified) opinion on the effectiveness of the Entity's internal control over financial reporting.

Basis for Opinion

A - 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.

B - 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) ("PCAOB"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to error or fraud. Those standards also require that we comply with ethical requirements, including independence. We are required to be independent with respect to the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We are a public accounting firm registered with the PCAOB.

An audit includes performing procedures to assess the risks of material misstatements of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included obtaining and examining, on a test basis, audit evidence regarding 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 and principles 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 reasonable basis for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We have served as the Entity's auditor since 2005.

Toronto, Canada
February 14, 2018

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Kinross Gold Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Kinross Gold Corporation's (the "Company") internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Report on the Consolidated Financial Statements

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company, which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016, the consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years then ended, and the related notes, comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements"), and our report dated February 14, 2018 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company'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, included in the accompanying management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB and in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.

We conducted our audit in accordance with the standards of the PCAOB. 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 of internal control over financial reporting 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.

Definition and Limitations of Internal Control Over Financial Reporting

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.



Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
February 14, 2018

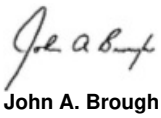
KINROSS GOLD CORPORATION
CONSOLIDATED BALANCE SHEETS
(expressed in millions of United States dollars, except share amounts)

		As at	
		December 31, 2017	December 31, 2016
Assets			
Current assets			
Cash and cash equivalents	*Note 7*	**$ 1,025.8**	$ 827.0
Restricted cash	*Note 7*	**12.1**	11.6
Accounts receivable and other assets	*Note 7*	**91.3**	127.3
Current income tax recoverable		**43.9**	111.9
Inventories	*Note 7*	**1,094.3**	986.8
Unrealized fair value of derivative assets	*Note 10*	**17.0**	16.1

		2,284.4	2,080.7
Non-current assets			
Property, plant and equipment	*Note 7*	**4,887.2**	4,917.6
Goodwill	*Note 7*	**162.7**	162.7
Long-term investments	*Note 7*	**188.0**	142.9
Investments in associate and joint ventures	*Note 9*	**23.7**	163.6
Unrealized fair value of derivative assets	*Note 10*	**3.9**	6.0
Other long-term assets	*Note 7*	**574.0**	411.3
Deferred tax assets	*Note 17*	**33.3**	94.5
Total assets		**$ 8,157.2**	$ 7,979.3
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*Note 7*	**$ 482.6**	$ 464.8
Current income tax payable		**35.1**	72.6
Current portion of provisions	*Note 13*	**66.5**	93.2
Current portion of unrealized fair value of derivative liabilities	*Note 10*	**1.1**	7.1
		585.3	637.7
Non-current liabilities			
Long-term debt	*Note 12*	**1,732.6**	1,733.2
Provisions	*Note 13*	**830.5**	861.2
Other long-term liabilities		**134.0**	172.2
Deferred tax liabilities	*Note 17*	**255.6**	390.7
Total liabilities		**3,538.0**	3,795.0
Equity			
Common shareholders' equity			
Common share capital	*Note 14*	**$ 14,902.5**	$ 14,894.2
Contributed surplus		**240.7**	238.3
Accumulated deficit		**(10,580.7)**	(11,026.1)
Accumulated other comprehensive income	*Note 7*	**21.1**	39.1
Total common shareholders' equity		**4,583.6**	4,145.5
Non-controlling interest		**35.6**	38.8
Total equity		**4,619.2**	4,184.3
Commitments and contingencies	*Note 19*		
Subsequent events	*Note 6*		
Total liabilities and equity		**$ 8,157.2**	$ 7,979.3
Common shares			
Authorized		**Unlimited**	Unlimited
Issued and outstanding	*Note 14*	**1,247,003,940**	1,245,049,712

The accompanying notes are an integral part of these consolidated financial statements.

Signed on behalf of the Board:



John A. Brough
Director



Una M. Power
Director

KINROSS GOLD CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(expressed in millions of United States dollars, except share and per share amounts)

		Years ended	
		December 31, 2017	**December 31, 2016**
Revenue			
Metal sales		**$ 3,303.0**	$ 3,472.0
Cost of sales			
Production cost of sales		**1,757.4**	1,983.8
Depreciation, depletion and amortization		**819.4**	855.0
Impairment, net of reversals	*Note 8*	**21.5**	139.6
Total cost of sales		**2,598.3**	2,978.4

Gross profit		**704.7**	493.6
Other operating expense	*Note 7*	**129.6**	209.3
Exploration and business development		**106.0**	94.3
General and administrative		**132.6**	143.7
Operating earnings		**336.5**	46.3
Other income (expense) - net	*Note 7*	**188.1**	22.5
Equity in losses of associate and joint ventures	*Note 9*	**(1.3)**	(1.2)
Finance income		**13.5**	7.5
Finance expense	*Note 7*	**(117.8)**	(134.6)
Earnings (loss) before tax		**419.0**	(59.5)
Income tax recovery (expense) - net	*Note 17*	**23.2**	(49.6)
Net earnings (loss)		**$ 442.2**	$ (109.1)
Net earnings (loss) attributable to:			
Non-controlling interest		**$ (3.2)**	$ (5.1)
Common shareholders		**$ 445.4**	$ (104.0)
Earnings (loss) per share attributable to common shareholders			
Basic		**$ 0.36**	$ (0.08)
Diluted		**$ 0.35**	$ (0.08)
Weighted average number of common shares outstanding (millions)	*Note 16*		
Basic		**1,246.6**	1,227.0
Diluted		**1,257.0**	1,227.0

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, 2017	**December 31, 2016**
Net earnings (loss)		**$ 442.2**	$ (109.1)
Other comprehensive income (loss), net of tax:	*Note 7*		
Items to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of investments [(a)]		**(13.6)**	50.8
Accumulated other comprehensive loss related to investments sold [(b)]		**(3.1)**	(8.5)
Changes in fair value of derivative financial instruments designated as cash flow hedges [(c)]		**11.9**	29.2
Accumulated other comprehensive loss related to derivatives settled [(d)]		**(13.2)**	(1.1)
		(18.0)	70.4
Total comprehensive income (loss)		**$ 424.2**	$ (38.7)
Attributable to non-controlling interest		**$ (3.2)**	$ (5.1)
Attributable to common shareholders		**$ 427.4**	$ (33.6)

(a) Net of tax of $0.3 million (2016 - $nil).
(b) Net of tax of $nil (2016 - $nil).
(c) Net of tax of $4.8 million (2016 - $ 10.6 million).
(d) Net of tax of $(5.9) million (2016 - $ (1.1) 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, 2017	**December 31, 2016**
Net inflow (outflow) of cash related to the following activities:		

Operating:		
Net earnings (loss)	**$ 442.2**	$ (109.1)
Adjustments to reconcile net earnings (loss) to net cash provided from operating activities:		
Depreciation, depletion and amortization	**819.4**	855.0
Gain on disposition of associate and other interests - net	**(55.2)**	—
Impairment, net of reversals	**(75.5)**	139.6
Equity in losses of associate and joint ventures	**1.3**	1.2
Share-based compensation expense	**13.6**	13.5
Finance expense	**117.8**	134.6
Deferred tax recovery	**(76.4)**	(149.7)
Foreign exchange losses (gains) and other	**(31.9)**	14.4
Reclamation expense	**11.4**	27.2
Changes in operating assets and liabilities:		
Accounts receivable and other assets	**108.6**	(21.2)
Inventories	**(86.7)**	79.5
Accounts payable and accrued liabilities	**(48.5)**	239.9
Cash flow provided from operating activities	**1,140.1**	1,224.9
Income taxes paid	**(188.5)**	(125.7)
Net cash flow provided from operating activities	**951.6**	1,099.2
Investing:		
Additions to property, plant and equipment	**(897.6)**	(633.8)
Business acquisition	**—**	(588.0)
Net additions to long-term investments and other assets	**(73.8)**	(59.8)
Net proceeds from the sale of property, plant and equipment	**8.5**	9.1
Net proceeds from disposition of associate and other interests	**269.6**	—
Increase in restricted cash	**(0.5)**	(1.1)
Interest received and other	**6.6**	3.5
Net cash flow used in investing activities	**(687.2)**	(1,270.1)
Financing:		
Issuance of common shares on exercise of options	**0.8**	2.8
Net proceeds from issuance of equity	**—**	275.7
Net proceeds from issuance of debt	**494.7**	175.0
Repayment of debt	**(500.0)**	(425.0)
Interest paid	**(62.9)**	(73.5)
Other	**(1.6)**	(3.3)
Net cash flow used in financing activities	**(69.0)**	(48.3)
Effect of exchange rate changes on cash and cash equivalents	**3.4**	2.3
Increase (decrease) in cash and cash equivalents	**198.8**	(216.9)
Cash and cash equivalents, beginning of period	**827.0**	1,043.9
Cash and cash equivalents, end of period	**$ 1,025.8**	$ 827.0

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, 2017	**December 31, 2016**
Common share capital		
Balance at the beginning of the period	**$ 14,894.2**	$ 14,603.5
Shares issued on equity offering	**—**	275.7
Transfer from contributed surplus on exercise of restricted shares	**7.2**	12.2
Options exercised, including cash	**1.1**	2.8
Balance at the end of the period	**$ 14,902.5**	$ 14,894.2
Contributed surplus		
Balance at the beginning of the period	**$ 238.3**	$ 239.2
Share-based compensation	**13.6**	14.2
Transfer of fair value of exercised options and restricted shares	**(11.2)**	(15.1)
Balance at the end of the period	**$ 240.7**	$ 238.3
Accumulated deficit		
Balance at the beginning of the period	**$ (11,026.1)**	$ (10,922.1)
Net earnings (loss) attributable to common shareholders	**445.4**	(104.0)
Balance at the end of the period	**$ (10,580.7)**	$ (11,026.1)

Accumulated other comprehensive income (loss)				
Balance at the beginning of the period	**$**	**39.1**	$	(31.3)
Other comprehensive income (loss)		**(18.0)**		70.4
Balance at the end of the period	**$**	**21.1**	$	39.1
Total accumulated deficit and accumulated other comprehensive income (loss)	**$**	**(10,559.6)**	$	(10,987.0)
Total common shareholders' equity	**$**	**4,583.6**	$	4,145.5
Non-controlling interest				
Balance at the beginning of the period	**$**	**38.8**	$	43.9
Net loss attributable to non-controlling interest		**(3.2)**		(5.1)
Balance at the end of the period	**$**	**35.6**	$	38.8
Total equity	**$**	**4,619.2**	$	4,184.3

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Kinross Gold Corporation and its subsidiaries and joint arrangements (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 its 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, 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, 2017 were authorized for issue in accordance with a resolution of the board of directors on February 14, 2018.

2. BASIS OF PRESENTATION

These consolidated financial statements for the year ended December 31, 2017 ("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 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.

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2017 and 2016
(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. All operating activities involve gold mining and exploration. Each of the significant entities has a December 31 year end.

			As at	
Entity	**Property/ Segment**	**Location**	**December 31, 2017**	**December 31, 2016**
Subsidiaries:				
(Consolidated)				
Fairbanks Gold Mining, Inc.	Fort Knox	USA	**100%**	100%
Kinross Brasil Mineração S.A. ("KBM")	Paracatu	Brazil	**100%**	100%
Compania Minera Maricunga	Maricunga and Lobo Marte / Maricunga and Corporate and Other	Chile	**100 %**	100%

Compania Minera Mantos de Oro	La Coipa / Corporate and Other	Chile	**100%**	100%
Echo Bay Minerals Company	Kettle River - Buckhorn	USA	**100%**	100%
Chukotka Mining and Geological Company	Kupol	Russian Federation	**100 %**	100%
Northern Gold LLC	Dvoinoye/ Kupol	Russian Federation	**100 %**	100%
Selene Holdings LP [(b)]	White Gold/ Corporate and Other	Canada	**—[(b)]**	100%
Tasiast Mauritanie Ltd. S.A.	Tasiast	Mauritania	**100%**	100%
Chirano Gold Mines Ltd. (Ghana) [(a)]	Chirano	Ghana	**90%**	90%
KG Mining (Bald Mountain) Inc.	Bald Mountain	USA	**100%**	100%
Round Mountain Gold Corporation / KG Mining (Round Mountain) Inc.	Round Mountain	USA	**100%**	100%
Investment in associate:				
(Equity accounted)				
Compania Minera Casale [(c)]	Cerro Casale/ Corporate and Other	Chile	**—[(c)]**	25%
Interest in joint ventures:				
(Equity accounted)				
Sociedad Contractual Minera Puren	Puren/ Corporate and Other	Chile	**65%**	65%
Bald Mountain Exploration LLC	Bald Mountain Exploration Joint Venture/ Bald Mountain	USA	**50 %**	50%

(a) The Company holds a 90% interest in the Chirano Gold Mine with the Government of Ghana having the right to the remaining 10% interest.

(b) On June 14, 2017, the Company completed the sale of its interest in Selene Holdings LP and the White Gold exploration project in the Yukon Territory to White Gold Corp. See Note 6 ii.

(c) On June 9, 2017, the Company completed the sale of its interest in Compania Minera Casale and the Cerro Casale project in Chile to Goldcorp Inc. See Note 6 i.

(a) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. 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 Arrangements

The Company conducts a portion of its business through joint arrangements where the parties are bound by contractual arrangements establishing joint control and requiring unanimous consent of each of the parties regarding those activities that significantly affect the returns of the arrangement. The Company's interest in a joint arrangement is classified as either a joint operation or a joint venture depending on its rights and obligations in the arrangement. In a joint operation, the Company has rights to its share of the assets, and obligations for its share of the liabilities, of the joint arrangement, while in a joint venture, the Company has rights to its share of the net assets of the joint arrangement. For a joint operation, the Company recognizes in the consolidated financial statements, its share of the assets, liabilities, revenue, and expenses of the joint arrangement, while for a joint venture, the Company recognizes its investment in the joint arrangement using the equity method of accounting in the consolidated financial statements.

(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 arrangements. 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 annual financial statements or interim financial statements, as applicable. 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.

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:

- Monetary assets and liabilities are translated at the rates of exchange on 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 exchange rate at the date of the transaction, 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 on 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.

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 operations, 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 and estimated costs to sell.

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.

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 actual 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 inventories represent materials that are in the process of being converted to a saleable product.

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 inventory 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

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 their 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 are 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.

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 mineral 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 mineral 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.

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 potential ounces, 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 mineral 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 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 ready for use.

(c) 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. Valuation of Goodwill and Long-lived Assets

Goodwill is tested for impairment 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 value of property, plant and equipment is reviewed each reporting period to determine whether there is any indication of impairment or reversal 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. For such non-current assets, the recoverable amount 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 testing purposes.

If the carrying amount of the CGU or asset exceeds its recoverable amount, an impairment is considered to exist and an impairment loss is recognized in the consolidated statement of operations to reduce the carrying value to its recoverable amount.

For property, plant and equipment and other long-lived assets, 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. The reversal is limited to the carrying value that would have been determined, net of any applicable depreciation, had no impairment charge been recognized in prior years.

The recoverable amount of a CGU or asset is the higher of its fair value less cost of disposal and its value in use.

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.

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 of the asset and does not take into account assumptions of significant future enhancements of an asset's performance or capacity to which the Company is not committed.

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 projections from financial budgets approved by senior management covering a 9 year to 25 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 mineral reserve or mineral 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 Canadian 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 2017 annual analysis, estimated 2018, 2019 and long-term prices of gold and silver of $1,300 per ounce and $19.00 per ounce, respectively, were used. For the 2016 annual analysis, estimated 2017, 2018 and long-term gold prices of $1,200, $1,250 and $1,250 per ounce, respectively, and estimated 2017, 2018 and long-term silver prices of $18.50, $18.70 and $20.00 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 2017 annual analysis, an estimated short-term and long-term oil price of $55 per barrel was used. For the 2016 annual analysis, an estimated short-term and long-term oil price of $60 per barrel 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 2017 annual analysis, real discount rates of between 4.35% and 7.10% were used for the CGUs tested. For the CGUs tested in the 2016 annual analysis, real discount rates of between 5.05% and 5.18% 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, where applicable, 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, 2017 in respect of the fair value determinations at that date, which

ranged from 0.8 to 1.6. NAV multiples observed at December 31, 2016 were in the range of 0.7 to 1.5. The selected ranges of multiples applied to each CGU, which may be different from the ranges noted above, 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.

xiii. 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". 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 in 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 fair value. Trade receivables and certain other assets are designated as loans and receivables. Long-term investments in equity securities, where the Company cannot exert significant influence, are classified 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.

(c) 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:

Share Option Plan: Stock options are generally 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 options 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 the vested options, the shares are issued from treasury.

Restricted Share Plan: Restricted share units ("RSUs") and Restricted performance share units ("RPSUs") are granted under the Restricted Share Plan. Both RSUs and RPSUs are generally equity-settled and awarded to certain employees as a percentage of long-term incentive awards.

(a) RSUs are recorded at fair value 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 vesting of RSUs, shares are generally issued from treasury.

(b) RPSUs are subject to certain vesting requirements based on performance criteria over the vesting period established by the Company. RPSUs are recorded at fair value as follows: The portion of the RPSUs related to market conditions are recorded at fair value 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 vesting of RPSUs, shares are generally issued from treasury.

Deferred Share Unit Plan: Deferred share units ("DSUs") 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 ("SPP") 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 purchased under the SPP are either based on the weighted average closing price of the last twenty trading sessions prior to the end of the period for shares issued from treasury, or are based on the price paid for common shares purchased in the open market.

xv. Metal sales

Metal sales includes sales of refined gold and silver and doré, 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 more likely than not to exist 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 period. Basic earnings (loss) per share amounts are calculated by dividing net

earnings (loss) attributable to common shareholders for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share amounts are calculated by dividing net earnings (loss) 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. The treasury method, which assumes that outstanding stock options, warrants, RSUs and RPSUs 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.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”). IFRS 15 replaces IAS 11 “Construction Contracts”, IAS 18 “Revenue”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfer of Assets from Customers” and SIC 31 “Revenue — Barter Transactions Involving Advertising Services”, and is effective for annual periods beginning on or after January 1, 2018.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company will adopt IFRS 15 for the annual period beginning January 1, 2018 using the modified retrospective approach.

The Company has completed its assessment of the impact of IFRS 15 and d oes not expect the new standard to have a material impact on the consolidated financial statements.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 “Financial Instruments” (“IFRS 9”), which replaces IAS 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”). IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company will adopt IFRS 9 for the annual period beginning January 1, 2018 on a retrospective basis, using certain available transitional provisions.

IFRS 9 provides a revised model for classification and measurement of financial assets, including a new “expected credit loss” (ECL) impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 introduces a reformed approach to hedge accounting. IFRS 9 also largely retains the

existing requirements in IAS 39 for the classification of financial liabilities.

The Company has completed its assessment of the impact of IFRS 9 and expects the following impacts upon adoption:

i) The Company will make the irrevocable election available under IFRS 9 to continue to measure its long-term investments in equity securities at fair value through OCI. Under the new standard, all realized and unrealized gains and losses will be recognized permanently in OCI with no reclassification to profit or loss. On adoption of IFRS 9, the Company expects to make an adjustment to opening retained earnings of $56.3 million with a corresponding adjustment to accumulated other comprehensive income. The new classification and measurement requirements under IFRS 9 are not expected to have a material impact on the Company's other financial assets and financial liabilities.

ii) The Company expects that its existing hedge accounting relationships that qualified for hedge accounting under IAS 39 will continue to qualify for hedge accounting under IFRS 9, following planned changes to its internal documentation and monitoring processes.

iii) The other changes under IFRS 9, including the new ECL impairment model, are not expected to have a material impact on the Company's financial statements.

Leases

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"), which replaces IAS 17 "Leases". The standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15 has been applied, or is applied at the same date as IFRS 16.

IFRS 16 requires lessees to recognize assets and liabilities for most leases on its balance sheet, as well as corresponding depreciation and interest expense.

The Company will adopt IFRS 16 for the annual period beginning January 1, 2019. The Company expects IFRS 16 will result in the recognition of additional assets and liabilities on the balance sheet, and a corresponding increase in depreciation and interest expense. The Company also expects cash flow from operating activities to increase under IFRS 16 as lease payments for most leases will be recorded as financing outflows in the statement of cash flows. The extent of the impact of adopting the standard has not yet been determined.

The Company has completed the development of its implementation plan and expects to report more detailed information , including estimated quantitative financial impacts, if material, in its consolidated financial statements as the effective date approaches.

Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB issued IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" ("IFRIC 22"). IFRIC 22 is applicable for annual periods beginning on or after January 1, 2018, and permits early adoption.

IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of the advance consideration.

The Company will adopt IFRIC 22 in its financial statements for the annual period beginning January 1, 2018 on a prospective basis. The Company has completed its assessment of the impact of IFRIC 22 and does not expect the interpretation to have a material impact on the consolidated financial statements.

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.

i. Significant Judgments in Applying Accounting Policies

The areas which require management to make significant judgments in applying the Company's accounting policies in determining carrying values include, but are not limited to:

(a) Mineral Reserves and Mineral Resources

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. Changes in the proven and probable mineral 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.

(b) Depreciation, depletion and amortization

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.

(c) Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the provision for income taxes, due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

ii. **Significant Accounting Estimates and Assumptions**

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

(a) Mineral Reserves and Mineral Resources

Proven and probable mineral 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 mineral reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The estimation of future cash flows related to proven and probable mineral 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 mineral 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.

(b) 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 relating 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 affect the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

(c) 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.

(d) Valuation of goodwill and long-lived 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 or reversal 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. For property, plant and equipment and other long-lived assets, a reversal of previously recognized impairment losses is recognized in the

consolidated statement of operations if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The assessment of fair values, including those of the CGUs for purposes of testing goodwill and long-lived assets, require the use of estimates and assumptions for recoverable production, future and 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 long-lived assets could impact the impairment analysis.

(e) 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 actual 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 actual 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, forecasted usage of supplies inventory, 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.

(f) 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.

(g) 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 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.

(h) Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. Contingencies can be possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies involves the use of significant judgment and estimates. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

6. ACQUISITIONS AND DISPOSITIONS

i. Disposition of interest in Cerro Casale

On March 28, 2017, the Company announced that it had entered into an agreement with Goldcorp Inc. ("Goldcorp") to sell its 25% interest in the Cerro Casale project and its 100% interest in the Quebrada Seca exploration project in Chile.

On June 9, 2017, the Company completed the sale for gross cash proceeds of $260.0 million (which includes $20.0 million for Quebrada Seca), a contingent payment of $40.0 million following a construction decision for Cerro Casale, the assumption by Goldcorp of a $20.0 million contingent payment obligation payable to Barrick Gold Corporation when production at Cerro Casale commences, and a 1.25% royalty on 25% of gross revenues from all metals sold at the properties (with the Company foregoing the first $10.0 million). Additionally on closing, the Company entered into a water supply agreement with the Cerro Casale joint venture to have certain rights to access, up to a fixed amount, water not required by the Cerro Casale joint venture.

In connection with the sale, the Company recognized, in other income (expense), an impairment reversal of $97.0 million related to its investment in Cerro Casale, and a gain on disposition of $12.7 million. See Note 7 xi.

ii. **Disposition of interest in White Gold**

On May 18, 2017, the Company entered into an agreement with White Gold Corp. to sell its 100% interest in the White Gold exploration project in the Yukon Territory.

On June 14, 2017, the Company completed the sale for gross cash proceeds of $7.6 million (CDN$10.0 million), 17.5 million common shares of White Gold Corp. representing 19.9% of the issued and outstanding shares of White Gold Corp., and deferred payments of $11.4 million (CDN$15.0 million), payable in three equal payments of $3.8 million (CDN$5.0 million) upon completion of specific milestones. The Company recognized a loss on disposition of $1.7 million in other income (expense) in connection with the sale. See Note 7 xi.

The investment in White Gold Corp. has been accounted for as an available-for-sale investment as the Company determined it does not have significant influence over White Gold Corp.

iii. **Disposition of interest in DeLamar**

On September 18, 2017, the Company entered into an agreement with Integra Resources Corp. ("Integra") to sell its 100% interest in the DeLamar reclamation property.

On November 3, 2017, the Company completed the sale for cash consideration and a non-interest bearing promissory note, payable 18 months after closing, totaling $5.6 million (CDN$7.2 million), common shares representing 9.9% of the issued and outstanding shares of Integra, and a 2.5% net smelter return royalty that will be reduced to 1% when royalty payments have accumulated to $7.8 million (CDN$10.0 million). In connection with the sale, the Company recognized a gain on disposition of $44.2 million in other income (expense). See Note 7 xi.

iv. **Acquisition of La Coipa mining concessions**

Compania Minera de Oro ("MDO"), a subsidiary of the Company, currently holds a 50% ownership interest in the Phase 7 deposit through its 50% ownership of Minera La Coipa ("MLC"), with the remaining 50% held by Salmones de Chile Alimentos

S.A. ("SDCA"). Pursuant to an agreement signed on February 2, 2018, MDO, MLC and SDCA have agreed, among other things, to spin out the Phase 7 concessions into a new company and MDO has agreed to purchase SDCA's 50% interest in such company in exchange for payments to SDCA totaling $65 million ($35 million on closing and $30 million on or before January 31, 2019). Following completion of the transaction, MDO will have a 100% ownership interest in the Phase 7 deposit. The transaction is subject to certain conditions and is expected to close within 90 days.

v. Acquisition of power plants in Brazil

On February 14, 2018, Kinross Brasil Mineração ("KBM"), a subsidiary of the Company, signed an agreement to acquire two hydroelectric power plants in the State of Goias, Brazil from a subsidiary of Gerdau SA for $257.0 million. The two plants are expected to secure a long-term supply of power and lower production costs over the life of the mine at Paracatu. The transaction is subject to regulatory approvals and is expected to close in approximately three to six months.

7. CONSOLIDATED FINANCIAL STATEMENT DETAILS

Consolidated Balance Sheets

i. Cash and cash equivalents:

	December 31, 2017	December 31, 2016
Cash on hand and balances with banks	**$ 600.8**	$ 514.0
Short-term deposits	**425.0**	313.0
	$ 1,025.8	$ 827.0

Restricted cash:

	December 31, 2017	December 31, 2016
Restricted cash [(a)]	**$ 12.1**	$ 11.6

(a) Restricted cash relates to loan escrow judicial deposits and environmental indemnities.

ii. Accounts receivable and other assets:

	December 31, 2017	December 31, 2016
Trade receivables	**$ 4.5**	$ 20.1
Prepaid expenses	**19.8**	21.9
VAT receivable	**36.2**	59.3
Deposits	**11.1**	11.4
Other	**19.7**	14.6
	$ 91.3	$ 127.3

iii. Inventories:

	December 31, 2017	December 31, 2016
Ore in stockpiles [(a)]	**$ 242.6**	$ 242.3
Ore on leach pads [(b)]	**358.5**	301.6
In-process	**122.3**	78.6
Finished metal	**91.5**	49.1
Materials and supplies	**519.3**	534.1
	1,334.2	1,205.7
Long-term portion of ore in stockpiles and ore on leach pads [(a),(b)]	**(239.9)**	(218.9)
	$ 1,094.3	$ 986.8

(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 other long-term assets on the consolidated balance sheet. See Note 7 vii.

(b) Ore on leach pads relates to the Company's Tasiast, Fort Knox, Round Mountain and Bald Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Tasiast in 2018, Fort Knox in 2021, Bald Mountain in 2023 and Round Mountain in 2024. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in other long-term assets on the consolidated balance sheet. See Note 7 vii.

(c) During the year ended December 31, 2016, inventory impairment charges of $71.3 million were recorded within cost of sales to reduce the carrying value of inventory to its net realizable value. See Note 8 ii.

iv. Property, plant and equipment:

		Mineral Interests [(a)]		
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2017	$ 7,791.3	$ 7,970.2	$ 164.3	$ 15,925.8
Additions	626.9	298.5	—	925.4
Capitalized interest	13.8	11.3	—	25.1
Disposals	(44.5)	—	(133.2)	(177.7)
Other	(12.8)	31.5	(15.6)	3.1
Balance at December 31, 2017	8,374.7	8,311.5	15.5	16,701.7

Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2017	$ (5,076.4)	$ (5,852.4)	$ (79.4)	$ (11,008.2)
Depreciation, depletion and amortization	(529.3)	(371.5)	—	(900.8)
Impairment, net of reversals [(b)]	260.9	(282.4)	—	(21.5)
Disposals	38.8	—	79.2	118.0
Other	(2.4)	0.2	0.2	(2.0)
Balance at December 31, 2017	(5,308.4)	(6,506.1)	—	(11,814.5)
Net book value	$ 3,066.3	$ 1,805.4	$ 15.5	$ 4,887.2
Amount included above as at December 31, 2017:				
Assets under construction	$ 534.2	$ 116.4	$ —	$ 650.6
Assets not being depreciated [(c)]	$ 723.3	$ 342.8	$ 15.5	$ 1,081.6

(a) At December 31, 2017, the significant development and operating properties include Fort Knox, Round Mountain, Bald Mountain, Paracatu, Kupol, Tasiast, Chirano and Lobo-Marte.

(b) At December 31, 2017, an impairment charge was recorded at Paracatu and impairment reversals were recorded at Fort Knox and Tasiast, entirely related to property, plant and equipment. See Note 8 i.

(c) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which relate to expansion projects, and other assets that are in various stages of being readied for use.

		Mineral Interests [(a)]		
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2016	$ 7,332.2	$ 7,651.4	$ 164.3	$ 15,147.9
Additions	445.6	207.7	—	653.3
Acquisitions [(b)]	417.4	400.1	—	817.5
Book value of Round Mountain prior to remeasurement on acquisition	(359.4)	(294.7)	—	(654.1)
Capitalized interest	10.4	4.8	—	15.2
Disposals	(57.8)	(0.7)	—	(58.5)
Other	2.9	1.6	—	4.5
Balance at December 31, 2016	7,791.3	7,970.2	164.3	15,925.8
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2016	$ (4,835.1)	$ (5,639.7)	$ (79.4)	$ (10,554.2)
Depreciation, depletion and amortization	(528.1)	(399.4)	—	(927.5)
Impairment, net of reversals [(c)]	(68.3)	—	—	(68.3)
Book value of Round Mountain prior to remeasurement on acquisition	305.4	187.6	—	493.0
Disposals	50.4	—	—	50.4
Other	(0.7)	(0.9)	—	(1.6)
Balance at December 31, 2016	(5,076.4)	(5,852.4)	(79.4)	(11,008.2)
Net book value	$ 2,714.9	$ 2,117.8	$ 84.9	$ 4,917.6
Amount included above as at December 31, 2016:				
Assets under construction	$ 373.5	$ 119.4	$ —	$ 492.9
Assets not being depreciated [(d)]	$ 545.3	$ 322.3	$ 84.9	$ 952.5

(a) At December 31, 2016, the significant development and operating properties include Fort Knox, Round Mountain, Bald Mountain, Paracatu, Kupol, Tasiast, Chirano and Lobo-Marte. Included in pre-development properties are White Gold and other exploration properties.

(b) Bald Mountain and the remaining 50% interest in Round Mountain were acquired on January 11, 2016.

(c) At September 30, 2016, an impairment charge was recorded against property, plant and equipment at Maricunga. See Note 8 i.

(d) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which relate to expansion projects, and other assets that are in various stages of being readied for use.

Capitalized interest primarily relates to qualifying capital expenditures at Fort Knox, Round Mountain, Kupol, Paracatu, and Tasiast and had a weighted average borrowing rate of 5.54% and 4.9% during the years ended December 31, 2017 and 2016, respectively.

At December 31, 2017, $164.4 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2016 — $216.8 million). During the year ended December 31, 2017, the Company acquired $nil E&E assets, disposed of $54.1 million E&E assets and transferred $0.2 million E&E assets to capitalized development (year ended December 31, 2016 — $nil, $nil and $nil, respectively). During the year ended December 31, 2017, the Company capitalized $1.9 million and expensed $6.7 million of E&E costs, respectively (year ended December 31, 2016 — $1.2 million and $6.8 million, respectively). Expensed E&E costs are included in operating cash flows.

v. Goodwill:

As at December 31, 2017 and December 31, 2016, goodwill of $162.7 million is comprised of goodwill for Kupol of $158.8 million (net of accumulated impairment of $668.4 million) and for other operations of $3.9 million (net of accumulated impairment of $nil).

vi. Long-term investments:

Unrealized gains and losses on investments classified as available-for-sale are recorded in AOCI as follows:

	December 31, 2017		December 31, 2016	
	Fair value	Gains (losses) in AOCI	Fair value	Gains (losses) in AOCI
Investments in an unrealized gain position	**$ 125.1**	**$ 26.6**	$ 110.2	$ 30.3
Investments in an unrealized loss position	**62.9**	**(19.7)**	32.7	(6.7)
	$ 188.0	**$ 6.9**	$ 142.9	$ 23.6

vii. Other long-term assets:

	December 31, 2017	December 31, 2016
Long-term portion of ore in stockpiles and ore on leach pads [(a)]	**$ 239.9**	$ 218.9
Deferred charges, net of amortization	**8.9**	8.6
Long-term receivables [(b)]	**272.8**	147.2
Advances for the purchase of capital equipment	**6.4**	2.8
Other	**46.0**	33.8
	$ 574.0	$ 411.3

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. At December 31, 2017, long-term ore in stockpiles was at the Company's Fort Knox, Kupol, Tasiast, Chirano and Paracatu mines, and long-term ore on leach pads was at the Company's Fort Knox, Round Mountain, and Tasiast mines.

(b) Long-term receivables includes an estimated benefit of $124.4 million related to the enactment of U.S. Tax Reform legislation in December 2017. See Note 17.

viii. Accounts payable and accrued liabilities:

	December 31, 2017	December 31, 2016
Trade payables	**$ 77.4**	$ 86.8
Accrued liabilities	**274.2**	251.4
Employee related accrued liabilities	**131.0**	126.6
	$ 482.6	$ 464.8

ix. Accumulated other comprehensive income:

	Long-term Investments	Derivative Contracts	Total
Balance at December 31, 2015	$ (18.7)	$ (12.6)	$ (31.3)
Other comprehensive income before tax	42.3	37.6	79.9
Tax	—	(9.5)	(9.5)
Balance at December 31, 2016	$ 23.6	$ 15.5	$ 39.1
Other comprehensive loss before tax	**(16.4)**	**(2.4)**	**(18.8)**

Tax	**(0.3)**	**1.1**	**0.8**
Balance at December 31, 2017	**$ 6.9**	**$ 14.2**	**$ 21.1**

Consolidated Statements of Operations

x. Other operating expense:

	Years ended December 31,	
	2017	**2016**
Other operating expense	**$ 129.6**	$ 209.3
	$ 129.6	$ 209.3

Other operating expense for the year ended December 31, 2017 includes the write-off of value-added tax ("VAT") receivables and settlement of VAT disputes, costs related to the temporary curtailment of mining activities at Paracatu, costs related to the Fort Knox Gilmore Feasibility study, reclamation expenses related to properties where mining activities have ceased or are in reclamation, and care and maintenance and other costs.

Other operating expense for the year ended December 31, 2016 includes the write-off of VAT receivables and settlement of VAT disputes due to regulatory changes in Brazil, costs related to the suspension of mining activities at Maricunga and Tasiast, reclamation expenses related to properties where mining activities have ceased or are in reclamation, and care and maintenance and other costs.

xi. Other income (expense) — net:

	Years ended December 31,	
	2017	**2016**
Gain on disposition of associate and other interests - net[(a)]	**$ 55.2**	$ —
Gain on disposition of other assets - net	**1.9**	9.7
Reversal of impairment charges [(b)]	**97.0**	—
Foreign exchange losses	**(4.9)**	(6.3)
Net non-hedge derivative gains (losses)	**0.3**	(0.4)
Other [(c)]	**38.6**	19.5
	$ 188.1	$ 22.5

(a) During the year ended December 31, 2017, the Company recognized a gain on disposition of its interests in Cerro Casale and Quebrada Seca of $12.7 million, a loss on disposition of its interest in White Gold of $1.7 million, and a gain on disposition of its interest in DeLamar of $44.2 million. See Note 6.

(b) During the year ended December 31, 2017, the Company recognized a reversal of impairment charges related to the sale of its interest in Cerro Casale. See Note 6 i.

(c) Other includes insurance recoveries of $17.5 million and $9.9 million related to a settlement of a royalty agreement.

xii. Finance expense:

	Years ended December 31,	
	2017	**2016**
Accretion on reclamation and remediation obligations	**$ (31.3)**	$ (34.2)
Interest expense, including accretion on debt [(a)]	**(86.5)**	(100.4)
	$ (117.8)	$ (134.6)

(a) During the years ended December 31, 2017 and 2016, $25.1 million and $15.2 million, respectively, of interest was capitalized to property, plant and equipment. See Note 7 iv.

Total interest paid, including interest capitalized, during the year ended December 31, 2017 was $80.9 million (year ended December 31, 2016 - $95.3 million).

xiii. Employee benefits expenses:

The following employee benefits expenses are included in production cost of sales, general and administrative, and exploration and business development expenses:

	Years ended December 31,	
	2017	**2016**
Salaries, short-term incentives, and other benefits	**$ 678.5**	$ 665.7
Share-based payments	**25.9**	26.8
Other	**11.2**	19.2
	$ 715.6	$ 711.7

8. IMPAIRMENT, NET OF REVERSALS

	Years ended December 31,	
	2017	**2016**
Property, plant and equipment (i)	**$ 21.5**	$ 68.3
Inventory and other assets (ii)	**—**	71.3
	$ 21.5	$ 139.6

i. Property, plant and equipment

At December 31, 2017, upon completion of the annual assessment of the carrying values of its CGUs, the Company recorded a net impairment charge of $21.5 million. The impairment charge was entirely related to property, plant and equipment and included an impairment charge of $253.0 million at Paracatu, partially offset by impairment reversals at Tasiast and Fort Knox of $142.9 million and $88.6 million, respectively. The impairment reversals at Tasiast and Fort Knox were mainly due to an increase in the Company's short-term and long-term gold price estimates, as well as Tasiast Phase Two progressing as planned and additions to Fort Knox's mineral reserve estimates. For Tasiast, the reversal represents a partial reversal of the total impairment charges previously recorded. For Fort Knox, the reversal represents a full reversal of the remaining impairment charge recorded in 2015. The impairment charge at Paracatu was mainly a result of changes in the fiscal regime in Brazil that were considered in the cash flow analysis used to assess its recoverable amount. The tax impact on the impairment reversal at Paracatu was a recovery of $86.0 million. The tax impact on the impairment reversal at Fort Knox was an expense of $2.4 million. There was no tax impact on the impairment reversal at Tasiast. The net tax recovery of $83.6 million was recorded within income tax expense. After giving effect to the impairment charge and impairment reversals, the carrying values of Paracatu, Tasiast, and Fort Knox were $1,275.6 million, $1,417.5 million, and $420.2 million, respectively, as at December 31, 2017. The significant estimates and assumptions used in the impairment assessment are disclosed in Note 3 to the financial statements.

As at September 30, 2016, the Company identified the suspension of mining at Maricunga as an indication of impairment and performed an impairment assessment to determine the recoverable amount of the Maricunga CGU. The recoverable amount was determined by considering observable market values for comparable assets. As the recoverable amount was lower than the carrying amount, an impairment charge of $68.3 million was recorded against property, plant and equipment, resulting in a carrying amount of $(10.9) million for the Maricunga CGU. The carrying amount was negative as a result of reclamation and remediation obligations. No impairment charges were recorded as a result of the annual assessment of the carrying value of the Company's CGUs at December 31, 2016.

Key assumptions and sensitivity

The significant estimates and assumptions used in the Company's annual impairment assessments are disclosed in Note 3 to the financial statements. The Company performed a sensitivity analysis on all key assumptions and determined that 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.

ii. Inventory and other assets

In 2016, the Company recognized impairment charges of $71.3 million related to metals and supplies inventory at Maricunga, resulting from the suspension of mining during the year.

9. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES

The investments in associate and joint ventures are accounted for under the equity method and had the following carrying values:

	December 31, 2017	December 31, 2016
Cerro Casale [(a)]	**$ —**	$ 139.5

Puren	**18.2**	18.6
Bald Mountain Exploration Joint Venture [(b)]	**5.5**	5.5
	$ 23.7	$ 163.6

(a) On June 9, 2017, the Company completed the sale of its interest in the Cerro Casale project in Chile to Goldcorp Inc. See Note 6i.

(b) As part of the Company's acquisition of Bald Mountain on January 11, 2016, it acquired an associated land package, of which approximately 40% is subject to a 50/50 joint venture between the Company and Barrick.

There are no publicly quoted market prices for Puren or the Bald Mountain Exploration Joint Venture.

The equity in losses of associate and joint ventures is as follows:

	Years ended December 31,	
	2017	**2016**
Cerro Casale [(a), (b)]	**$ (0.5)**	$ (0.6)
Puren [(a)]	**(0.1)**	(0.2)
Bald Mountain Exploration Joint Venture [(a)]	**(0.7)**	(0.4)
	$ (1.3)	$ (1.2)

(a) Represents Kinross' share of the net earnings (loss) and other comprehensive income (loss).

(b) On June 9, 2017, the Company completed the sale of its interest in Cerro Casale project in Chile to Goldcorp Inc. See Note 6i.

10. FAIR VALUE MEASUREMENT

(a) Recurring fair value measurement:

Carrying values for financial instruments, including cash and cash equivalents, short-term investments, accounts receivable, and 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 consolidated 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.

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing their classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Assets (liabilities) measured at fair value on a recurring basis as at December 31, 2017 include:

	Level 1	**Level 2**	**Level 3**	**Aggregate Fair Value**
Available-for-sale investments	**$ 188.0**	**$ —**	**$ —**	**$ 188.0**
Derivative contracts:				
Foreign currency forward and collar contracts	**—**	**6.1**	**—**	**6.1**
Energy swap contracts	**—**	**12.9**	**—**	**12.9**
Total return swap contracts	**—**	**0.6**	**—**	**0.6**
	$ 188.0	**$ 19.6**	**$ —**	**$ 207.6**

During the year ended December 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

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 consolidated 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.

Derivative contracts:

The Company's derivative contracts are valued using pricing models and the Company generally uses similar models to value similar instruments. Such pricing models require a variety of inputs, including contractual cash flows, quoted market prices, applicable yield curves and credit spreads. The fair value of derivative contracts 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 quoted market rates in effect at the consolidated balance sheet date and therefore derivative contracts are classified within Level 2 of the fair value hierarchy.

The following table summarizes information about derivative contracts outstanding at December 31, 2017 and 2016:

	December 31, 2017		December 31, 2016	
	Asset / (Liability) Fair Value	AOCI	Asset / (Liability) Fair Value	AOCI
Currency contracts				
Foreign currency forward and collar contracts [(a)] (i)	**6.1**	**4.4**	8.9	5.9
Commodity contracts				
Energy swap contracts [(b)] (ii)	**12.9**	**9.8**	12.3	9.6
Other contracts				
Total return swap contracts (iii)	**0.6**	**—**	(6.2)	—
Total all contracts	**$ 19.6**	**$ 14.2**	$ 15.0	$ 15.5
Unrealized fair value of derivative assets				
Current	**17.0**		16.1	
Non-current	**3.9**		6.0	
	$ 20.9		$ 22.1	
Unrealized fair value of derivative liabilities				
Current	**(1.1)**		(7.1)	
Non-current	**(0.2)**		—	
	$ (1.3)		$ (7.1)	
Total net fair value	**$ 19.6**		$ 15.0	

(a) Of the total amount recorded in AOCI at December 31, 2017, $4.2 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 at December 31, 2017, $7.3 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(i) Foreign currency forward and collar contracts

The following table provides a summary of foreign currency forward and collar contracts outstanding at December 31, 2017, maturing in 2018 and 2019:

Foreign currency	2018	2019	2020
Brazilian real forward buy contracts			
(in millions of U.S. dollars)	**$ 69.6**	**$ —**	**$ —**
Average price (Brazilian reais)	**3.32**	**—**	**—**

Brazilian real zero cost collars			
(in millions of U.S. dollars)	$ 25.2	$ 60.0	$ —
Average put strike (Brazilian reais)	3.75	3.45	—
Average call strike (Brazilian reais)	4.12	3.64	—
Canadian dollar forward buy contracts			
(in millions of U.S. dollars)	$ 40.5	$ 18.0	$ —
Average rate (Canadian dollars)	1.35	1.28	—
Russian rouble zero cost collars			
(in millions of U.S. dollars)	$ 24.0	$ —	$ —
Average put strike (Russian roubles)	60.0	—	—
Average call strike (Russian roubles)	71.2	—	—

During 2017, the Company entered into the following new forward buy and zero cost collar derivative contracts:

- $58.5 million Canadian dollars at an average rate of 1.33 maturing in 2018 to 2019;
- $24.0 million Russian roubles with an average put strike of 60.00 and an average call strike of 71.24 maturing in 2018;
- $69.6 million Brazilian reais at an average rate of 3.32 maturing in 2018; and
- $60.0 million Brazilian reais with an average put strike of 3.45 and an average call strike of 3.64 maturing in 2019.

At December 31, 2017, the unrealized gain or loss on the derivative contracts recorded in AOCI is as follows:

- Brazilian real forward buy contracts — unrealized loss of $0.7 million (December 31, 2016 — $nil);
- Brazilian real zero cost collar contracts — unrealized gain of $1.8 million (December 31, 2016 — $6.0 million gain);
- Canadian dollar forward buy contracts — unrealized gain of $2.6 million (December 31, 2016 — $0.2 million loss); and
- Russian rouble zero cost collar contracts — unrealized gain of $0.7 million (December 31, 2016 — $0.1 million gain).

(ii) Energy swap contracts

The Company is exposed to changes in energy prices through its consumption of diesel and other fuels, and the price of electricity in some electricity supply contracts. The Company entered into energy swap contracts that protect against the risk of fuel price increases. Fuel is consumed in the operation of mobile equipment and electricity generation.

The following table provides a summary of energy swap contracts outstanding at December 31, 2017, maturing in 2018 to 2020:

Energy	2018	2019	2020
WTI oil swap contracts (barrels)	907,482	594,451	90,000
Average price	$ 48.48	$ 49.86	$ 52.40

During 2017, the following new commodity derivative contracts were entered into:

- 1,048,000 barrels of WTI oil at an average rate of $49.46 per barrel maturing from 2017 to 2020.

At December 31, 2017, the unrealized gain or loss on these derivative contracts recorded in AOCI is as follows:

- WTI oil swap contracts — unrealized gain of $9.8 million (December 31, 2016 — $9.6 million gain).

(iii) Total return swap contracts

The Company enters into total return swaps ("TRS") as economic hedges of the Company's DSUs and cash-settled RSUs. 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, 2017, 5,695,000 TRS units were outstanding.

At December 31, 2017, 74% of the DSUs were economically hedged (December 31, 2016 — 90%) and 102% of cash-settled RSUs were economically hedged (December 31, 2016 — 84%), although hedge accounting was not applied.

(b) Non-recurring fair value measurement:

Property, plant and equipment was written down to its recoverable amount at Paracatu during the year ended December 31, 2017 and at Maricunga during the year ended December 2016. In addition, the Company recognized a reversal of impairment charges related to the property, plant and equipment at Tasiast and Fort Knox due to changes in the estimates used to determine the recoverable amount of the Tasiast

and Fort Knox CGUs since the last impairment loss was recognized. Certain assumptions used in the calculation of the recoverable amount are categorized as Level 3 in the fair value hierarchy.

(c) Fair value of financial assets and liabilities not measured and recognized at fair value:

Long-term debt is measured at amortized cost. The fair value of long-term debt is primarily measured using market determined variables, and therefore was classified within Level 2 of the fair value hierarchy. See Note 12.

11. 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's operations are sensitive to changes in commodity prices, foreign exchange and interest rates. The Company manages its exposure to changes in currency exchange rates and energy by periodically entering into derivative contracts in accordance with the formal risk management policy approved by the Company's Board of Directors. The Company's practice 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.

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 requirements.

The Company's quantitative capital management objectives are largely driven by the requirements under its debt agreements as well as a target total debt to total debt and common shareholders' equity ratio as noted in the table below:

	December 31, 2017	December 31, 2016
Long-term debt	**$ 1,732.6**	$ 1,733.2
Current portion of long-term debt	**—**	—
Total debt	**1,732.6**	1,733.2
Common shareholders' equity	**4,583.6**	4,145.5
Total debt / total debt and common shareholders' equity ratio	**27.4%**	29.5%
Company target	**0 — 30%**	0 — 30%

ii. Gold and silver price risk management

No derivatives to hedge metal sales were outstanding in 2017 and 2016.

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 hedging contracts to lock in the exchange rates on future non-U.S. denominated currency cash outflows. The Company has entered into hedging contracts to purchase Canadian dollars, Brazilian reais, 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 may from time to time manage the exposure on the net monetary items.

At December 31, 2017, with other variables unchanged, the following represents the effect of movements in foreign exchange rates on the Company's net working capital, on earnings before taxes from a 10% change in the exchange rate of the U.S. dollar against the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and other.

		10% strengthening in U.S. dollar	10% weakening in U.S. dollar
	Foreign currency net working capital	Effect on earnings before taxes, gain (loss) [(a)]	Effect on earnings before taxes, gain (loss) [(a)]
Canadian dollars	(24.5)	2.2	(2.7)
Brazilian reais	(37.2)	3.4	(4.1)
Chilean pesos	(15.5)	1.4	(1.7)
Russian roubles	14.9	(1.4)	1.7
Euros	(3.1)	0.3	(0.3)
Mauritanian ouguiya	(21.8)	2.0	(2.4)
Ghanaian cedi	12.9	(1.2)	1.4
Other [(b)]	(0.8)	0.1	(0.1)

(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 and South African rand.

At December 31, 2017, with other variables unchanged, the following represents the effect of the Company's foreign currency hedging contracts on OCI before taxes from a 10% change in the exchange rate of the U.S. dollar against the Canadian dollar, Brazilian real and Russian rouble.

	10% strengthening in U.S. dollar	10% weakening in U.S. dollar
	Effect on OCI before taxes, gain (loss) [(a)]	Effect on OCI before taxes, gain (loss) [(a)]
Canadian dollars	$ (5.6)	$ 6.8
Brazilian reais	$ (12.5)	$ 15.6
Russian roubles	$ (1.1)	$ 2.2

(a) Upon maturity of these contracts, the amounts in OCI before taxes will reverse against hedged items that the contracts relate to, which may be to earnings or property, plant and equipment.

iv. Energy price risk

The Company is exposed to changes in energy prices through its consumption of diesel and other fuels, and the price of electricity in some electricity supply contracts. The Company entered into energy swap contracts that partially protect against the risk of fuel price increases. Fuel is consumed in the operation of mobile equipment and electricity generation.

At December 31, 2017, with other variables unchanged, the following represents the effect of the Company's energy swap contracts on OCI before taxes from a 10% change in WTI oil prices.

	10% increase in price	10% decrease in price
	Effect on OCI before taxes, gain (loss) [(a)]	Effect on OCI before taxes, gain (loss) [(a)]
WTI oil	$ 9.0	$ (8.9)

(a) Upon maturity of these contracts, the amounts in OCI before taxes will reverse against hedged items that the contracts relate to, which will be to earnings.

v. Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances (December 31, 2017 - $1,025.8 million in aggregate), 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, 2017 are as follows:

	Total	2018 Within 1 year	2019, 2020 2 to 3 years	2021, 2022 4 to 5 years	2023+ More than 5 years
Long-term debt [(a)]	$ 2,684.0	$ 95.6	$ 190.2	$ 664.5	$ 1,733.7

(a) Includes long-term debt, interest and the full face value of the senior notes.

vi. 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 generally transacts with highly-rated counterparties and a limit on contingent exposure has been established for counterparties based on their credit ratings. As at December 31, 2017, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, accounts receivable and derivative contracts.

12. LONG-TERM DEBT AND CREDIT FACILITIES

		Interest Rates	December 31, 2017 Nominal Amount	Deferred Financing Costs	Carrying Amount [(a)]	Fair Value [(b)]	December 31, 2016 Carrying Amount [(a)]	Fair Value [(b)]
Corporate term loan facility	(i)	Variable	**$ —**	**$ —**	**$ —**	**$ —**	$ 497.4	$ 497.4
Senior notes	(ii)	4.50%-6.875%	**1,745.7**	**(13.1)**	**1,732.6**	**1,848.4**	1,235.8	1,245.7
Long-term debt			**$ 1,745.7**	**$ (13.1)**	**$ 1,732.6**	**$ 1,848.4**	$ 1,733.2	$ 1,743.1

(a) Includes transaction costs on debt financings.

(b) The fair value of debt is primarily determined using quoted market determined variables. See Note 10 (c).

Scheduled debt repayments

	2018	2019	2020	2021	2022	2023 and thereafter	Total
Senior notes	**$ —**	**$ —**		**$ 500.0**	**$ —**	**$ 1,250.0**	**$ 1,750.0**
Total debt payable	**$ —**	**$ —**	**$ —**	**$ 500.0**	**$ —**	**$ 1,250.0**	**$ 1,750.0**

(i) Corporate revolving credit and term loan facilities

On July 12, 2017, the Company fully repaid the outstanding balance on the term loan with proceeds from the $500.0 million offering of debt securities completed on July 6, 2017.

On July 28, 2017, the Company amended its $1,500.0 million revolving credit facility to extend the maturity date by one year from August 10, 2021 to August 10, 2022.

As at December 31, 2017, the Company had utilized $21.0 million (December 31, 2016 — $104.5 million) of its $1,500.0 million revolving credit facility. The amount utilized was entirely for letters of credit. On January 4, 2016, the Company drew $175.0 million in cash on the revolving credit facility, and repaid the amount in full on March 4, 2016.

Loan interest on the revolving credit facility is variable, set at LIBOR plus an interest rate margin which is dependent on the Company's credit rating. Based on the Company's credit rating at December 31, 2017, interest charges and fees are as follows:

Type of credit	
Dollar based LIBOR loan:	
Revolving credit facility	LIBOR plus 2.00%
Letters of credit	1.33-2.00%
Standby fee applicable to unused availability	0.40%

The revolving credit facility's credit agreement contains various covenants including limits on indebtedness, asset sales and liens. The Company is in compliance with its financial covenant in the credit agreement at December 31, 2017.

(ii) Senior notes

On July 6, 2017, the Company completed a $500.0 million offering of debt securities consisting of 4.50% senior notes due 2027. The Company received net proceeds of $494.7 million from the offering, after payment of related fees and expenses. The notes rank equally with the Company's existing senior notes.

As at December 31, 2017, the Company's $1,750.0 million of senior notes consisted of $500.0 million principal amount of 5.125% notes due 2021, $500.0 million principal amount of 5.950% notes due 2024, $500.0 million principal amount of 4.50% notes due 2027 and $250.0 million principal amount of 6.875% notes due 2041.

In September 2016, the Company repaid its $250.0 million 3.625% notes in full on the maturity date.

The senior notes referred to above (collectively, the "notes") pay interest semi-annually. 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 indentures, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months of maturity of the notes due in 2021, 2024 and 2027, and within six months of maturity of the notes due in 2041, 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 repurchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the repurchase date, if any.

(iii) Other

The maturity date for the Company's Letter of Credit guarantee facility with Export Development Canada ("EDC") was extended by one year to June 30, 2018, effective July 1, 2017. Effective December 5, 2017, the Company entered into an amendment to increase the amount of its Letter of Credit guarantee facility with EDC from $250.0 million to $300.0 million. Letters of credit guaranteed under this 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 0.95% to 1.00%. As at December 31, 2017, $215.2 million (December 31, 2016 - $215.1 million) was utilized under this facility.

In addition, at December 31, 2017, the Company had $230.2 million (December 31, 2016 - $117.7 million) in letters of credit and surety bonds outstanding in respect of its operations in Brazil, Mauritania, Ghana and Chile. These have been issued pursuant to arrangements with certain international banks.

As at December 31, 2017, $254.7 million (December 31, 2016 - $216.7 million) of surety bonds were outstanding with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

(iv) Changes in liabilities arising from financing activities

		Year ended December 31, 2017									
		Changes from financing cash flows				Other changes					
	Balance as at January 1, 2017	Debt issued	Debt repayments	Interest paid	Other	Interest expense	Capitalized interest	Capitalized interest paid	Other cash changes	Other non-cash changes	Balance as at December 31, 2017
Long-term debt	$ 1,733.2	$ 494.7	$ (500.0)	$ —	$ —	$ —	$ —	$ —	—	$ 4.7	$ 1,732.6
Accrued interest payable [(a)]	23.4	—	—	(62.9)	—	86.5	25.1	(18.0)	(12.0)	(8.3)	33.8
	$ 1,756.6	$ 494.7	$ (500.0)	$ (62.9)	$ —	$ 86.5	$ 25.1	$ (18.0)	$ (12.0)	$ (3.6)	$ 1,766.4

(a) Included in Accounts Payable and Accrued Liabilities.

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2017 and 2016
(Tabular amounts in millions of United States dollars)

	Year ended December 31, 2016										
		Changes from financing cash flows				Other changes					
	Balance as at January 1, 2016	Debt issued	Debt repayments	Interest paid	Other	Interest expense	Capitalized interest	Capitalized interest paid	Other cash changes	Other non-cash changes	Balance as at December 31, 2016
Long-term debt	$ 1,981.4	$ 175.0	$ (425.0)	$ —	$ —	$ —	$ —	$ —	$ (1.2)	$ 3.0	$ 1,733.2
Accrued interest payable [(a)]	26.7	—	—	(73.5)	—	100.4	15.2	(21.8)	(12.3)	(11.3)	23.4
	$ 2,008.1	$ 175.0	$ (425.0)	$ (73.5)	$ —	$ 100.4	$ 15.2	$ (21.8)	$ (13.5)	$ (8.3)	$ 1,756.6

(a) Included in Accounts Payable and Accrued Liabilities.

13. PROVISIONS

	Reclamation and remediation obligations (i)	Other	Total
Balance at January 1, 2017	$ 908.3	$ 46.1	$ 954.4
Additions	9.7	6.2	15.9
Reductions	(19.4)	(16.4)	(35.8)
Reclamation spending	(42.6)	—	(42.6)
Accretion	31.3	—	31.3
Reclamation expense	11.4	—	11.4
Dispositions [(a)]	(37.3)	(0.3)	(37.6)
Balance at December 31, 2017	$ 861.4	$ 35.6	$ 897.0
Current portion	62.3	4.2	66.5
Non-current portion	799.1	31.4	830.5
	$ 861.4	$ 35.6	$ 897.0

(a) On November 3, 2017, the Company completed the sale of its interest in the DeLamar reclamation property. 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 obligations. The above table details the items that affect the reclamation and remediation obligations.

Included in other operating expense for the year ended December 31, 2017 is a $11.4 million expense (year ended December 31, 2016 — $27.2 million expense) 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 2018 and 2041. The discount rates used in estimating the site restoration cost obligation were between 1.8% and 11.6% for the year ended December 31, 2017 (year ended December 31, 2016 — 0.9% and 13.9%), and the inflation rate used was between 1.8% and 5.0% for the year ended December 31, 2017 (year ended December 31, 2016 — 2.4% and 5.6%).

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. As at December 31, 2017, letters of credit totaling $411.5 million (December 31, 2016 — $402.0 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 EDC, the corporate revolving credit facility, and pursuant to arrangements with certain international banks. The Company is in compliance with all applicable requirements under these facilities. As at December 31, 2017, $254.7 million (December 31, 2016 — $216.7 million) of surety bonds were issued with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

14. COMMON SHARE CAPITAL

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, 2017 and 2016 is as follows:

	Years ended December 31, 2017		Year ended December 31, 2016	
	Number of shares (000's)	Amount	Number of shares (000's)	Amount
Common shares				
Balance at January 1,	**1,245,050**	**$ 14,894.2**	1,146,540	$ 14,603.5
Equity issuance [(a)]	**—**	**—**	95,910	275.7
Under share option and restricted share plans	**1,954**	**8.3**	2,600	15.0
Balance at end of period	**1,247,004**	**$ 14,902.5**	1,245,050	$ 14,894.2
Total common share capital		**$ 14,902.5**		$ 14,894.2

(a) On March 4, 2016, the Company completed a public equity offering of 83.4 million common shares at a price of $3.00 per common share for gross proceeds of approximately $250.0 million. On March 15, 2016, the underwriters elected to exercise an option to purchase up to an additional 15% of the offering to cover over-allotments, and as a result, an additional 12.5 million common shares were issued at a price of $3.00 per common share. The sale was completed on March 18, 2016 and increased the gross proceeds from the offering to $287.7 million. Transaction costs of $12.0 million resulted in net proceeds of $275.7 million.

15. SHARE-BASED PAYMENTS

Share-based compensation recorded during the years ended December 31, 2017 and 2016 was as follows:

	Years ended December 31, 2017	2016
Share option plan expense (i)	**$ 2.4**	$ 2.8
Restricted share unit plan expense, including restricted performance shares (ii)	**23.4**	24.0
Deferred share units expense (iii)	**1.2**	1.2
Employer portion of employee share purchase plan (iv)	**2.0**	2.0
Total share-based compensation	**$ 29.0**	$ 30.0

(i) Share option plan

The Company has a share option plan for officers, employees, and contractors enabling them to purchase common shares. Under the share option plan, the aggregate number of shares reserved for issuance may not exceed 31.2 million common shares. Additionally, the aggregate number of Common Shares reserved for issuance under the share option plan to insiders, at any one time upon the exercise of Options and pursuant to all other compensation arrangements of the Company shall not exceed 10% of the total number of Common Shares then outstanding. Each option granted under the plan on or after February 16, 2011 is for a maximum term of seven years. One-third of the options granted 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, and may not be less than the closing market price of the common shares on the last trading day prior to the grant date of the option. The stock options outstanding at December 31, 2017 expire at various dates to 2024. The number of common shares available for the granting of options as at December 31, 2017 was 12.5 million.

The following table summarizes the status of the share option plan and changes during the years ended December 31, 2017 and 2016:

	2017		2016	
	Number of options (000's)	Weighted average exercise price (CDN$/option)	Number of options (000's)	Weighted average exercise price (CDN$/option)
Balance at January 1	**12,429**	**$ 6.95**	13,513	$ 7.57
Granted	**1,669**	**5.06**	1,872	4.17
Exercised	**(265)**	**4.09**	(708)	5.17
Forfeited	**(1,567)**	**8.74**	(1,300)	6.57
Expired	**(93)**	**7.38**	(948)	12.17
Outstanding at end of period	**12,173**	**$ 6.52**	12,429	$ 6.95
Exercisable at end of period	**8,539**	**$ 7.41**	7,911	$ 8.51

For the year ended December 31, 2017, the weighted average share price at the date of exercise was CDN$5.51.

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2017:

Exercise price range in CDN$:		Options outstanding			Options exercisable		
		Number of options (000's)	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)	Number of options (000's)	Weighted average exercise price (CDN$)	Weighted average remaining contractual life (years)
$ 2.96	$ 4.22	**4,169**	**$ 3.87**	**4.12**	**2,151**	**$ 3.81**	**3.81**
4.23	9.53	**6,145**	**6.41**	**3.32**	**4,528**	**6.89**	**2.31**
9.54	14.31	**1,140**	**10.70**	**1.20**	**1,141**	**10.70**	**1.20**
14.32	16.25	**719**	**16.25**	**0.15**	**719**	**16.25**	**0.15**
		12,173	**$ 6.52**	**3.21**	**8,539**	**$ 7.41**	**2.36**

The following weighted average assumptions were used in computing the fair value of stock options using the Black-Scholes option pricing model granted during the years ended December 31, 2017 and 2016:

	2017	2016
Weighted average share price (CDN$)	**$ 5.06**	$ 4.17
Expected dividend yield	**0.0%**	0.0%
Expected volatility	**49.3%**	56.9%
Risk-free interest rate	**1.1%**	0.6%
Expected option life (in years)	**4.5**	4.5
Weighted average fair value per stock option granted (CDN$)	**$ 2.09**	$ 1.92

The expected volatility used in the Black-Scholes option pricing model is based primarily on the historical volatility of the Company's shares.

(ii) Restricted Share Plan

The Company has a Restricted Share Plan whereby RSUs and RPSUs may be granted to employees, officers and contractors of the Company. The current maximum number of common shares issuable under this plan is 12.3 million.

(a) Restricted share units

RSUs are generally exercisable into one common share entitling the holder to acquire the common share for no additional consideration. RSUs vest over a three year period.

The following table summarizes information about the RSUs outstanding at December 31, 2017 and 2016:

	2017		2016	
	Number of units (000's)	Weighted average fair value (CDN$/unit)	Number of units (000's)	Weighted average fair value (CDN$/unit)
Balance at January 1	**9,219**	**$ 4.01**	9,041	$ 4.41
Granted	**5,128**	**5.07**	5,502	4.14
Redeemed	**(4,847)**	**4.01**	(4,435)	4.96
Forfeited	**(1,223)**	**4.24**	(889)	4.11
Outstanding at end of period	**8,277**	**$ 4.63**	9,219	$ 4.01

As at December 31, 2017, the Company had recognized a liability of $11.3 million (December 31, 2016 - $11.4 million) in respect of its cash-settled RSUs.

(b) Restricted performance share units

The RPSUs are subject to certain vesting requirements and vest at the end of three years. The vesting requirements are based on certain performance criteria over the vesting period established by the Company.

The following table summarizes information about the RPSUs outstanding at December 31, 2017 and 2016:

	2017		2016	
	Number of units (000's)	Weighted average fair value (CDN$/unit)	Number of units (000's)	Weighted average fair value (CDN$/unit)
Balance at January 1	**4,993**	**$ 4.51**	4,313	$ 4.88

Granted	**1,209**	**5.32**	1,887	4.47
Redeemed	**(889)**	**5.39**	(495)	6.55
Forfeited	**(427)**	**4.81**	(712)	5.20
Outstanding at end of period	**4,886**	**$ 4.52**	4,993	$ 4.51

(iii) Deferred share unit plan

The Company has a DSU plan for its outside directors which provides that each outside director receives, on the last date in each quarter a number of DSUs having a value equal to a minimum of 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. 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 DSU issue date. At such time as an outside director ceases to be a director, the Company will make a cash payment on the outstanding DSUs to the outside director in accordance with the redemption election made by the departing director or in the absence of an election to defer redemption, in accordance with the default redemption provisions provided in the Deferred Share Unit Plan.

The number of DSUs granted by the Company and the weighted average fair value per unit issued for the years ended December 31, 2017 and 2016 are as follows:

	Years ended December 31,	
	2017	**2016**
DSUs granted (000's)	**297**	308
Weighted average grant-date fair value (CDN$/ unit)	**$ 5.15**	$ 4.97

There were 1,618,348 DSUs outstanding, for which the Company had recognized a liability of $7.0 million, as at December 31, 2017 (December 31, 2016 - $4.1 million).

(iv) Employee share purchase plan ("SPP")

The Company has an employee SPP whereby certain 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 has made contributions equal to 50% of the employees' contributions.

The compensation expense related to the employee SPP for the year ended December 31, 2017 was $2.0 million (year ended December 31, 2016 — $2.0 million).

16. EARNINGS (LOSS) PER SHARE

Basic and diluted net earnings attributable to common shareholders of Kinross for the year ended December 31, 2017 was $445.4 million (year ended December 31, 2016 — $104.0 million loss).

Earnings (loss) per share has been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. Stock options 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 loss per common share for the following periods:

(Number of common shares in thousands)	Years ended December 31,	
	2017	**2016**
Basic weighted average shares outstanding:	**1,246,619**	1,227,007
Weighted average shares dilution adjustments:		
Stock options	**1,606**	—
Restricted shares	**3,905**	—
Restricted performance shares	**4,915**	—
Diluted weighted average shares outstanding	**1,257,045**	1,227,007
Weighted average shares dilution adjustments - exclusions: [(a)]		
Stock options [(b)]	**7,199**	12,429
Restricted shares	**—**	3,625
Restricted performance shares	**—**	4,786

(a) These adjustments were excluded, as they are anti-dilutive.

(b) Anti-dilutive stock options were determined using the Company's average share price for the year. For the years ended December 31, 2017 and 2016, the average share price used was $4.00 and $3.91, respectively.

17. INCOME TAX EXPENSE (RECOVERY)

The following table shows the components of the current and deferred tax expense:

	Years ended December 31,	
	2017	**2016**
Current tax expense (recovery)		
Current period	**$ 63.2**	$ 223.9
Adjustment for prior period	**(10.0)**	(24.6)
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	**(83.0)**	(143.6)
Impact of changes in tax rate	**(0.1)**	—
Change in unrecognized deductible temporary differences	**7.5**	(6.7)
Recognition of previously unrecognized tax losses	**(0.8)**	0.6
Total tax expense (recovery)	**$ (23.2)**	$ 49.6

The $23.2 million income tax recovery recognized in 2017 includes a net benefit of $93.4 million due to the enactment of U.S. Tax Reform legislation on December 22, 2017. The estimated net benefit includes a benefit of $124.4 million in respect of the collectability of the Alternative Minimum Tax ("AMT") credit, which is partially offset by the write-down of net deferred tax assets to reflect the reduction in the U.S. corporate tax rate from 35% to 21% beginning January 1, 2018. Further guidance on the implementation and application of the U.S. Tax Reform legislation will be forthcoming in regulations to be issued by the Department of the Treasury, legislation or guidance from the states in which the Company operates, and directions from the Office of Management and Budget. Such legislation, regulations, directions, and additional guidance may require changes to the estimated net benefit recorded and the impact of such changes will be accounted for in the period in which the legislation, regulations, directions, and additional guidance are enacted or released by the relevant authorities.

The reconciliation of the combined Canadian federal and provincial statutory inco me tax rate to the effective tax rate is as follows:

	2017	2016
Combined statutory income tax rate	**26.5%**	26.5%
Increase (decrease) resulting from:		
Mining taxes	**5.0%**	4.4%
Resource allowance and depletion	**0.0%**	1.1%
Difference in foreign tax rates and foreign exchange on deferred income taxes within income tax expense	**(19.1)%**	94.0%
Benefit of losses not recognized	**33.9%**	(160.1)%
Recognition of tax attributes not previously benefited	**(3.5)%**	(44.0)%
Under (over) provided in prior periods	**(8.9)%**	(8.2)%
Income not subject to tax	**(3.0)%**	109.2%
Effect of non-taxable impairment reversal	**(17.6)%**	0.0%
Enacted rate change	**0.1%**	0.0%
Accounting expenses disallowed for tax	**9.8%**	(17.2)%
Taxes on repatriation of foreign earnings	**3.8%**	(79.9)%
AMT Credit recovery due to U.S. Tax Reform	**(29.7)%**	0.0%
Other	**(2.8)%**	(9.2)%
Effective tax rate	**(5.5)%**	(83.4)%

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2017 and 2016
(Tabular amounts in millions of United States dollars)

i. Deferred income tax

The following table summarizes the components of deferred income tax:

	December 31, 2017	December 31, 2016
Deferred tax assets		
Accrued expenses and other	**$ 28.3**	$ 39.3
Property, plant and equipment	**43.3**	25.5
Reclamation and remediation obligations	**50.2**	118.1

Inventory capitalization	**3.4**	8.8
Non-capital loss	**6.2**	—
	131.4	191.7
Deferred tax liabilities		
Accrued expenses and other	**4.9**	14.5
Property, plant and equipment	**316.8**	442.0
Inventory capitalization	**32.0**	31.4
Deferred tax liabilities - net	**$ 222.3**	$ 296.2

For balance sheet disclosure purposes, 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, 2017	December 31, 2016
Balance at the beginning of the period	**$ 296.2**	$ 422.5
Recognized in profit/loss	**(76.4)**	(149.7)
Recognized in OCI	**(0.8)**	9.5
Other	**3.3**	13.9
Balance at the end of the period	**$ 222.3**	$ 296.2

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, 2017 is $6.5 billion (December 31, 2016 — $6.5 billion).

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2017	December 31, 2016
Deductible temporary differences	**$ 777.0**	$ 721.4
Tax losses	**505.4**	458.5

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 Company 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	$ 804.2	2018 - 2037
United States[(a)]	Net operating losses	42.8	2018 - 2037
Chile	Net operating losses	171.4	No expiry
Mauritania	Net operating losses	21.2	2018 - 2021
Other	Net operating losses	59.9	Various

(a) Utilization of the United States loss carry forwards will be limited in any year as a result of the previous changes in ownership.

18. 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, Chile, Ghana and Mauritania.

The reportable segments are those operations whose operating results are reviewed by the chief operating decision maker 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 reviews various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment generally consists of an individual mining property managed by a single general manager and management team.

The Kupol segment includes the Kupol and Dvoinoye mines. These two mines have been aggregated into one reportable segment as they have integrated cost structures, due to the processing of Dvoinoye ore at the Kupol mill, and other shared infrastructure such as the purchasing function.

The Corporate and other segment includes corporate, Cerro Casale until its disposal on June 9, 2017, shutdown and other non-operating assets (including La Coipa, Lobo-Marte and White Gold until its disposal on June 14, 2017) and non-mining and other operations. These have been aggregated into one reportable segment as they do not generate revenues for the Company.

Finance income, finance expense, other income (expense), and equity in earnings (losses) of associate and joint ventures are managed on a consolidated basis and are not allocated to operating segments.

i. **Operating segments**

The following tables set forth operating results by reportable segment for the following periods:

	Operating segments									Non-operating segments [a]	
Years ended December 31, 2017:	**Fort Knox**	**Round Mountain**	**Bald Mountain**	**Paracatu**	**Maricunga**	**Kupol**	**Kettle River-Buckhorn**	**Tasiast**	**Chirano**	**Corporate and other [b]**	**Total**
Revenue											
Metal sales	$ 481.1	552.2	331.5	447.0	52.0	726.9	96.3	298.4	317.6	—	$ 3,303.0
Cost of sales											
Production cost of sales	239.9	302.5	168.9	310.2	19.9	300.9	36.8	178.2	200.1	—	1,757.4
Depreciation, depletion and amortization	86.6	107.4	83.5	127.0	4.6	184.2	0.6	78.6	138.6	8.3	819.4
Impairment, net of reversals	(88.6)	—	—	253.0	—	—	—	(142.9)	—	—	21.5
Total cost of sales	237.9	409.9	252.4	690.2	24.5	485.1	37.4	113.9	338.7	8.3	2,598.3
Gross profit (loss)	$ 243.2	142.3	79.1	(243.2)	27.5	241.8	58.9	184.5	(21.1)	(8.3)	$ 704.7
Other operating expense	9.5	—	1.1	20.1	6.1	(0.3)	10.9	60.0	(1.8)	24.0	129.6
Exploration and business development	9.0	2.6	9.5	—	0.1	17.1	4.6	5.7	8.2	49.2	106.0
General and administrative	—	—	—	—	—	—	—	—	—	132.6	132.6
Operating earnings (loss)	$ 224.7	139.7	68.5	(263.3)	21.3	225.0	43.4	118.8	(27.5)	(214.1)	$ 336.5
Other income (expense) - net											188.1
Equity in earnings (losses) of associate and joint ventures											(1.3)
Finance income											13.5
Finance expense											(117.8)
Earnings before tax											$ 419.0

	Operating segments									Non-operating segments [a]	
Years ended December 31, 2016:	**Fort Knox**	**Round Mountain**	**Bald Mountain**	**Paracatu**	**Maricunga**	**Kupol**	**Kettle River-Buckhorn**	**Tasiast**	**Chirano**	**Corporate and other [b]**	**Total**
Revenue											
Metal sales	$ 510.8	477.1	139.6	599.6	219.4	919.2	139.8	208.0	258.5	—	$ 3,472.0
Cost of sales											
Production cost of sales	302.2	292.0	131.7	346.4	145.2	324.3	73.0	179.3	189.7	—	1,983.8
Depreciation, depletion and amortization	88.7	94.7	38.6	142.7	34.4	236.8	1.3	96.4	109.9	11.5	855.0
Impairment, net of reversals	—	—	—	—	139.6	—	—	—	—	—	139.6
Total cost of sales	390.9	386.7	170.3	489.1	319.2	561.1	74.3	275.7	299.6	11.5	2,978.4
Gross profit (loss)	$ 119.9	90.4	(30.7)	110.5	(99.8)	358.1	65.5	(67.7)	(41.1)	(11.5)	$ 493.6
Other operating expense	1.0	—	2.0	74.3	50.8	(0.5)	(0.7)	46.3	8.0	28.1	209.3
Exploration and business development	8.9	4.6	4.7	—	—	13.3	2.2	5.9	8.9	45.8	94.3
General and administrative	—	—	—	—	—	—	—	—	—	143.7	143.7
Operating earnings (loss)	$ 110.0	85.8	(37.4)	36.2	(150.6)	345.3	64.0	(119.9)	(58.0)	(229.1)	$ 46.3
Other income (expense) - net											22.5
Equity in earnings (losses) of associate and joint venture											(1.2)
Finance income											7.5
Finance expense											(134.6)
Loss before tax											$ (59.5)

	Operating segments									Non-operating segments[a]	
	Fort Knox	Round Mountain	Bald Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other[b]	Total
Property, plant and equipment at: December 31, 2017	$ 354.1	286.2	422.2	1,383.1	39.5	474.7	1.3	1,296.0	332.6	297.5	$ 4,887.2
Total assets at: December 31, 2017	$ 559.1	460.2	612.2	1,646.5	171.3	1,164.5	9.2	1,580.3	516.4	1,437.5	$ 8,157.2
Capital expenditures for year ended December 31, 2017 [c]	$ 110.2	97.1	90.4	121.6	1.4	54.1	—	434.5	46.0	5.0	$ 960.3

	Operating segments									Non-operating segments[a]	
	Fort Knox	Round Mountain	Bald Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other[b]	Total
Property, plant and equipment at: December 31, 2016	$ 248.4	307.1	440.9	1,647.5	37.6	599.5	2.0	826.9	416.6	391.1	$ 4,917.6
Total assets at: December 31, 2016	$ 457.7	430.8	598.9	1,880.4	145.3	1,417.0	15.9	1,122.8	581.5	1,329.0	$ 7,979.3
Capital expenditures for year ended December 31, 2016 [c]	$ 67.2	70.1	41.2	113.8	5.1	88.0	—	200.4	48.2	11.1	$ 645.1

(a) Non-operating segments include development properties.

(b) Corporate and other includes corporate, Cerro Casale until its disposal on June 9, 2017, shutdown and other non-operating assets (including La Coipa, Lobo-Marte and White Gold until its disposal on June 14, 2017).

(c) Segment capital expenditures are presented on an accrual basis. Additions to property, plant and equipment in the consolidated statements of cash flows are presented on a cash basis.

ii. **Geographic segments**

The following table shows metal sales and property, plant and equipment by geographic region:

	Metal sales Years ended December 31,		Property, plant and equipment As at December 31,	
	2017	2016	2017	2016
Geographic information [a]				
United States	**$ 1,461.1**	$ 1,267.3	**$ 1,067.4**	$ 1,002.1
Russian Federation	**726.9**	919.2	**482.3**	630.8
Brazil	**447.0**	599.6	**1,383.1**	1,647.5
Chile	**52.0**	219.4	**308.8**	306.6
Mauritania	**298.4**	208.0	**1,302.1**	832.5
Ghana	**317.6**	258.5	**343.5**	427.9
Canada	**—**	—	**—**	70.2
Total	**$ 3,303.0**	$ 3,472.0	**$ 4,887.2**	$ 4,917.6

(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, 2017:	Fort Knox	Round Mountain	Bald Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Total
Customer										
1	$ —	—	—	—	—	694.5	—	—	—	694.5
2	54.4	60.2	64.8	48.8	6.8	16.4	16.9	146.9	116.3	531.5
3	6.4	19.0	16.4	157.9	11.6	—	—	31.7	99.1	342.1

										$ 1,568.1
% of total metal sales										**47.5%**

For the year ended December 31, 2016:	**Fort Knox**	**Round Mountain**	**Bald Mountain**	**Paracatu**	**Maricunga**	**Kupol**	**Kettle River-Buckhorn**	**Tasiast**	**Chirano**	**Total**
Customer										
1	$ 101.8	75.9	22.0	130.1	41.8	20.5	66.6	80.2	72.5	$ 611.4
2	—	—	—	—	—	473.5	—	—	—	473.5
3	—	—	—	—	—	405.5	—	—	—	405.5
										$ 1,490.4
% of total metal sales										42.9%

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.

19. 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. The operating leases for certain office facilities contain 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 $25.9 million, $12.5 million, $4.9 million, $2.9 million and $2.9 million for each year from 2018 to 2022, respectively, and $0.8 million thereafter.

Purchase commitments

At December 31, 2017, the Company had future commitments of approximately $192.7 million (December 31, 2016 — $108.9 million) for capital expenditures.

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.

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.

Maricunga regulatory proceedings

In late 2013, Compania Minera Maricunga ("CMM") was fined approximately $40,000 in respect of the degradation of the Pantanillo wetland located near the Maricunga mine's water pumping wells. CMM paid the fine, as required, and sought governmental approval of remedial action plans aimed at addressing the degradation. CMM's remedial action plans were not fully approved and only a subset of CMM's planned activities were allowed to be implemented. In May 2015, the Chile environmental enforcement authority ("the SMA") issued a resolution alleging that CMM had irreparably harmed portions of the Pantanillo wetland and two other downstream wetlands known respectively as Valle Ancho and Barros Negros, and that the mine's continuing water use poses an imminent risk to those wetlands. In response, CMM submitted legal and technical defenses, expert reports and other materials challenging the SMA's allegations, and, complied with various information requests from the SMA. On March 18, 2016, the SMA issued a resolution against CMM in respect of the SMA's May 2015 allegations regarding the Valle Ancho wetland, located approximately 7 kilometres downgradient from CMM's groundwater wells, seeking to impose a sanction of an immediate complete curtailment of water use from the groundwater wells and related aquifer (the "sanction proceedings"). The Maricunga mine relies solely on water from the Pantanillo area groundwater wells to support its operations. Beginning in May 2016, the SMA issued a series of resolutions ordering CMM to "temporarily" curtail the pumping of water from the groundwater wells. In response, CMM suspended mining and crushing activities and reduced water consumption to minimal levels. CMM contested these resolutions by seeking reconsideration with the SMA and appealing to Chile's Environmental Tribunal, but its efforts were unsuccessful and, except for a short period of time in July 2016, the Company's operations have remained suspended. On June 24, 2016, the SMA amended its initial sanction (the "Amended Sanction"). The terms of the Amended Sanction effectively required CMM to cease operations and close the mine, with water use curtailed to levels far below those required for closure in compliance with the mine's government-approved plan. On July 9, 2016, CMM filed its appeal in the sanction proceedings. As part of its appeal, CMM submitted legal and technical arguments and reports by experts on wetland vegetation, analysis of long-term satellite imagery and

groundwater hydrology criticizing the evidence relied upon by the SMA and concluding that current data does not support an assertion that CMM's pumping is negatively impacting water levels 7 kilometres downgradient at the Valle Ancho wetland. On August 30, 2016, CMM submitted a request to the Environmental Tribunal that it issue an injunction suspending the effectiveness of the Amended Sanction pending a final decision on the merits of CMM's appeal of the Amended Sanction. On September 16, 2016, the Environmental Tribunal rejected CMM's injunction request. On August 7, 2017, the Environmental Tribunal upheld the SMA's Amended Sanction and curtailment orders on purely procedural grounds. No findings were made by the Tribunal on the issue of whether CMM's pumping caused damage to area wetlands, as alleged by the SMA. On September 27, 2017, CMM appealed the matter to the Supreme Court of Chile, which accepted the appeal on December 14, 2017. The timing of any substantive decision by the Supreme Court is uncertain.

On June 2, 2016, CMM was served with two separate lawsuits filed by the Chilean State Defense Counsel. Both lawsuits are based upon allegations that CMM's pumping from its Pantanillo area groundwater wells has caused damage to area wetlands. One action relates to the Pantanillo wetland, and is based upon the sanction imposed upon CMM in late 2013 (as described above). The other action relates to the Valle Ancho wetland, and is largely based upon the same factual assertions at issue in the SMA sanction proceedings. These lawsuits seek, among other things, to require CMM to cease pumping from the groundwater wells, finance various investigations and conduct restoration activities. On June 20, 2016, CMM filed its defenses. Evidentiary hearings before the Environmental Tribunal occurred in 2016 and early 2017, and closing arguments occurred in December 2017. The timing of any substantive decision by the Environmental Tribunal is uncertain.

Sunnyside litigation

The Sunnyside Mine is an inactive mine situated in the so-called Bonita Peak Mining District ("District") near Silverton, Colorado. A subsidiary of Kinross, Sunnyside Gold Corporation ("SGC"), was involved in operations at the mine from 1985 through 1991 and subsequently conducted various reclamation and closure activities at the mine and in the surrounding area. In the third quarter of 2016, the Environmental Protection Agency (the "EPA") listed the District, including areas impacted by SGC's operations and closure activities, on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). SGC has challenged portions of the CERCLA listing in

the United States Court of Appeals for District of Columbia Circuit. The EPA has notified SGC that SGC is a potentially responsible party under CERCLA and may be jointly and severally liable for cleanup of the District or cleanup costs incurred by the EPA in the District. The EPA may in the future provide similar notification to Kinross. On August 5, 2015, while working in another mine in the District known as the Gold King, the EPA caused a release of approximately three million gallons of contaminated water into a tributary of the Animas River. In the second quarter of 2016, the State of New Mexico filed a Complaint naming the EPA, SGC, Kinross and others alleging violations of CERCLA, the Resource Conservation and Recovery Act ("RCRA"), and the Clean Water Act ("CWA") and claiming negligence, gross negligence, public nuisance and trespass. The Complaint seeks cost recovery, damages, injunctive relief, and attorney's fees. In the third quarter of 2016, the Navajo Nation initiated litigation against the EPA, SGC and Kinross, alleging entitlement to cost recovery under CERCLA for past and future costs incurred, negligence, gross negligence, trespass, and public and private nuisance, and seeking reimbursement of past and future costs, compensatory, consequential and punitive damages, injunctive relief and attorneys' fees. The suits brought by New Mexico and the Navajo Nation have been consolidated. In the third quarter of 2017, the State of Utah filed a Complaint naming SGC, Kinross and others alleging negligence, gross negligence, public nuisance, trespass, and violation of the Utah Water Quality Act and the Utah Solid and Hazardous Waste Act. The Complaint seeks cost recovery, compensatory, consequential and punitive damages, penalties, disgorgement of profits, declaratory, injunctive and other relief under CERCLA, attorney's fees, and costs.

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. Changes in tax law or changes in the way that tax law is interpreted may also impact the Company's effective tax rate as well as its business and operations. 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.

20. RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2017 and 2016 other than compensation of key management personnel.

The Company received no dividends from Puren during the year ended December 31, 2017 (year ended December 31, 2016 — $nil).

Key management personnel

Compensation of key management personnel of the Company is as follows:

	Years ended December 31,	
	2017	2016
Cash compensation - Salaries, short-term incentives, and other benefits	**$ 9.1**	$ 7.3
Long-term incentives, including share-based payments	**8.7**	9.3
Termination and post-retirement benefits	**—**	3.9
Total compensation paid to key management personnel	**$ 17.8**	$ 20.5

Key management personnel are defined as the Senior Leadership Team and members of the Board of Directors.

21. CONSOLIDATING FINANCIAL STATEMENTS

The obligations of the Company under the senior notes are guaranteed by the following 100% owned subsidiaries of the Company (the "guarantor subsidiaries"): Round Mountain Gold Corporation, Kinross Brasil Mineração S.A., Fairbanks Gold Mining, Inc., Melba Creek Mining, Inc., KG Mining (Round Mountain) Inc., KG Mining (Bald Mountain) Inc., Red Back Mining B.V., Red Back Mining (Ghana) Limited, White Ice Ventures Limited, KG Far East (Luxembourg) Sarl. All guarantees by the guarantor subsidiaries are joint and several, and full and unconditional; subject to certain customary release provisions contained in the indenture governing the senior notes.

The following tables contain separate financial information related to the guarantor subsidiaries as set out in the consolidating balance sheets as at December 31, 2017 and December 31, 2016 and the consolidating statements of operations, statements of comprehensive income (loss) and statements of cash flows for the years ended December 31, 2017 and 2016. 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, 2017

		Guarantors					
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Assets							
Current assets							
Cash and cash equivalents	$ 267.6	$ 122.7	$ —	$ 390.3	$ 635.5	$ —	$ 1,025.8
Restricted cash	—	5.6	—	5.6	6.5	—	12.1
Accounts receivable and other assets	10.4	26.6	—	37.0	54.3	—	91.3
Intercompany receivables	518.6	1,297.9	(245.7)	1,570.8	4,256.8	(5,827.6)	—
Current income tax recoverable	—	17.1	—	17.1	26.8	—	43.9
Inventories	2.1	560.6	—	562.7	531.6	—	1,094.3
Unrealized fair value of derivative assets	23.0	(10.7)	—	12.3	4.7	—	17.0
	821.7	2,019.8	(245.7)	2,595.8	5,516.2	(5,827.6)	2,284.4
Non-current assets							
Property, plant and equipment	27.6	2,478.9	—	2,506.5	2,380.7	—	4,887.2
Goodwill	—	158.8	—	158.8	3.9	—	162.7
Long-term investments	180.8	—	—	180.8	7.2	—	188.0
Investments in associate and joint ventures	—	5.5	—	5.5	18.2	—	23.7
Intercompany investments	3,535.2	3,269.1	(6,202.6)	601.7	14,693.0	(15,294.7)	—
Unrealized fair value of derivative assets	14.8	(12.3)	—	2.5	1.4	—	3.9
Other long-term assets	11.7	133.2	—	144.9	429.1	—	574.0
Long-term intercompany receivables	3,206.4	2,414.3	(1,819.9)	3,800.8	3,171.3	(6,972.1)	—
Deferred tax assets	—	0.1	—	0.1	33.2	—	33.3
Total assets	$ 7,798.2	$ 10,467.4	$ (8,268.2)	$ 9,997.4	$ 26,254.2	$ (28,094.4)	$ 8,157.2
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	$ 88.5	$ 218.0	$ —	$ 306.5	$ 176.1	$ —	$ 482.6
Intercompany payables	184.4	643.0	(245.7)	581.7	5,245.9	(5,827.6)	—
Current income tax payable	—	19.5	—	19.5	15.6	—	35.1

Current portion of provisions	—	13.5	—	13.5	53.0	—	66.5
Current portion of unrealized fair value of derivative liabilities	—	1.1	—	1.1	—	—	1.1
	272.9	895.1	(245.7)	922.3	5,490.6	(5,827.6)	585.3
Non-current liabilities							
Long-term debt	1,732.6	—	—	1,732.6	—	—	1,732.6
Provisions	9.8	367.5	—	377.3	453.2	—	830.5
Other long-term liabilities	—	67.6	—	67.6	66.4	—	134.0
Long-term intercompany payables	1,199.3	2,777.2	(1,819.9)	2,156.6	4,815.5	(6,972.1)	—
Deferred tax liabilities	—	157.4	—	157.4	98.2	—	255.6
Total liabilities	3,214.6	4,264.8	(2,065.6)	5,413.8	10,923.9	(12,799.7)	3,538.0
Equity							
Common shareholders' equity							
Common share capital	$ 14,902.5	$ 1,713.3	$ (1,713.3)	$ 14,902.5	$ 18,702.5	$ (18,702.5)	$ 14,902.5
Contributed surplus	240.7	3,464.9	(3,464.9)	240.7	6,271.9	(6,271.9)	240.7
Accumulated deficit	(10,580.7)	1,038.6	(1,038.6)	(10,580.7)	(9,660.3)	9,660.3	(10,580.7)
Accumulated other comprehensive income (loss)	21.1	(14.2)	14.2	21.1	(19.4)	19.4	21.1
Total common shareholders' equity	4,583.6	6,202.6	(6,202.6)	4,583.6	15,294.7	(15,294.7)	4,583.6
Non-controlling interest	—	—	—	—	35.6	—	35.6
Total equity	4,583.6	6,202.6	(6,202.6)	4,583.6	15,330.3	(15,294.7)	4,619.2
Total liabilities and equity	$ 7,798.2	$ 10,467.4	$ (8,268.2)	$ 9,997.4	$ 26,254.2	$ (28,094.4)	$ 8,157.2

KINROSS GOLD CORPORATION
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(Tabular amounts in millions of United States dollars)

Consolidating balance sheet as at December 31, 2016

		Guarantors					
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Assets							
Current assets							
Cash and cash equivalents	$ 126.2	$ 145.6	$ —	$ 271.8	$ 555.2	$ —	$ 827.0
Restricted cash	—	4.6	—	4.6	7.0	—	11.6
Accounts receivable and other assets	6.4	42.3	—	48.7	78.6	—	127.3
Intercompany receivables	541.5	1,277.3	(175.5)	1,643.3	4,384.9	(6,028.2)	—
Current income tax recoverable	—	12.0	—	12.0	99.9	—	111.9
Inventories	5.7	440.3	—	446.0	540.8	—	986.8
Unrealized fair value of derivative assets	12.6	(1.6)	—	11.0	5.1	—	16.1
	692.4	1,920.5	(175.5)	2,437.4	5,671.5	(6,028.2)	2,080.7
Non-current assets							
Property, plant and equipment	26.8	2,677.2	—	2,704.0	2,213.6	—	4,917.6
Goodwill	—	158.8	—	158.8	3.9	—	162.7
Long-term investments	141.5	—	—	141.5	1.4	—	142.9
Investments in associate and joint ventures	—	5.5	—	5.5	158.1	—	163.6
Intercompany investments	3,150.2	1,699.7	(4,360.2)	489.7	11,787.5	(12,277.2)	—
Unrealized fair value of derivative assets	19.0	(14.7)	—	4.3	1.7	—	6.0
Other long-term assets	8.6	121.6	—	130.2	281.1	—	411.3
Long-term intercompany receivables	3,250.6	2,084.3	(1,758.8)	3,576.1	3,396.9	(6,973.0)	—
Deferred tax assets	—	0.7	—	0.7	93.8	—	94.5
Total assets	$ 7,289.1	$ 8,653.6	$ (6,294.5)	$ 9,648.2	$ 23,609.5	$ (25,278.4)	$ 7,979.3
Liabilities							
Current liabilities							

Accounts payable and accrued liabilities	$ 72.9	$ 207.0	$ —	$ 279.9	$ 184.9	$ —	$ 464.8
Intercompany payables	120.1	601.0	(175.5)	545.6	5,482.6	(6,028.2)	—
Current income tax payable	—	10.9	—	10.9	61.7	—	72.6
Current portion of provisions	—	13.2	—	13.2	80.0	—	93.2
Current portion of unrealized fair value of derivative liabilities	7.1	—	—	7.1	—	—	7.1
	200.1	832.1	(175.5)	856.7	5,809.2	(6,028.2)	637.7
Non-current liabilities							
Long-term debt	1,733.2	—	—	1,733.2	—	—	1,733.2
Provisions	11.1	367.4	—	378.5	482.7	—	861.2
Other long-term liabilities	—	85.0	—	85.0	87.2	—	172.2
Long-term intercompany payables	1,199.2	2,779.0	(1,758.8)	2,219.4	4,753.6	(6,973.0)	—
Deferred tax liabilities	—	229.9	—	229.9	160.8	—	390.7
Total liabilities	3,143.6	4,293.4	(1,934.3)	5,502.7	11,293.5	(13,001.2)	3,795.0
Equity							
Common shareholders' equity							
Common share capital	$ 14,894.2	$ 1,713.3	$ (1,713.3)	$ 14,894.2	$ 18,053.2	$ (18,053.2)	$ 14,894.2
Contributed surplus	238.3	2,396.0	(2,396.0)	238.3	4,402.0	(4,402.0)	238.3
Accumulated deficit	(11,026.1)	243.5	(243.5)	(11,026.1)	(10,157.4)	10,157.4	(11,026.1)
Accumulated other comprehensive income (loss)	39.1	7.4	(7.4)	39.1	(20.6)	20.6	39.1
Total common shareholders' equity	4,145.5	4,360.2	(4,360.2)	4,145.5	12,277.2	(12,277.2)	4,145.5
Non-controlling interest	—	—	—	—	38.8	—	38.8
Total equity	4,145.5	4,360.2	(4,360.2)	4,145.5	12,316.0	(12,277.2)	4,184.3
Total liabilities and equity	$ 7,289.1	$ 8,653.6	$ (6,294.5)	$ 9,648.2	$ 23,609.5	$ (25,278.4)	$ 7,979.3

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Consolidating statement of operations for the year ended December 31, 2017

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ 1,945.9	$ 1,781.1	$ (1,771.4)	$ 1,955.6	$ 1,347.4	$ —	$ 3,303.0
Cost of sales							
Production cost of sales	1,918.8	1,019.9	(1,772.0)	1,166.7	590.7	—	1,757.4
Depreciation, depletion and amortization	4.9	404.0	0.6	409.5	409.9	—	819.4
Impairment, net of reversals	—	164.4	—	164.4	(142.9)	—	21.5
Total cost of sales	1,923.7	1,588.3	(1,771.4)	1,740.6	857.7	—	2,598.3
Gross profit	22.2	192.8	—	215.0	489.7	—	704.7
Other operating expense	3.4	30.7	—	34.1	95.5	—	129.6
Exploration and business development	21.8	22.1	—	43.9	62.1	—	106.0
General and administrative	75.1	4.7	—	79.8	52.8	—	132.6
Operating earnings (loss)	(78.1)	135.3	—	57.2	279.3	—	336.5
Other income (expense) - net	(127.9)	(22.3)	—	(150.2)	654.4	(316.1)	188.1
Equity in earnings (losses) of associate, joint ventures and intercompany investments	679.4	232.9	(392.5)	519.8	(0.6)	(520.5)	(1.3)
Finance income	50.6	27.1	(1.9)	75.8	79.5	(141.8)	13.5
Finance expense	(80.1)	(45.9)	1.9	(124.1)	(135.5)	141.8	(117.8)
Earnings (loss) before tax	443.9	327.1	(392.5)	378.5	877.1	(836.6)	419.0
Income tax recovery (expense) - net	1.5	65.4	—	66.9	(43.7)	—	23.2

Net earnings (loss)	$ 445.4	$ 392.5	$ (392.5)	$ 445.4	$ 833.4	$ (836.6)	$ 442.2
Net earnings (loss) attributable to:							
Non-controlling interest	$ —	$ —	$ —	$ —	$ (3.2)	$ —	$ (3.2)
Common shareholders	$ 445.4	$ 392.5	$ (392.5)	$ 445.4	$ 836.6	$ (836.6)	$ 445.4

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Consolidating statement of operations for the year ended December 31, 2016

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ 2,036.4	$ 1,699.8	$ (1,653.3)	$ 2,082.9	$ 1,389.1	$ —	$ 3,472.0
Cost of sales							
Production cost of sales	1,999.1	1,075.4	(1,652.7)	1,421.8	562.0	—	1,983.8
Depreciation, depletion and amortization	8.2	365.4	(0.6)	373.0	482.0	—	855.0
Impairment, net of reversals	—	—	—	—	139.6	—	139.6
Total cost of sales	2,007.3	1,440.8	(1,653.3)	1,794.8	1,183.6	—	2,978.4
Gross profit	29.1	259.0	—	288.1	205.5	—	493.6
Other operating expense	7.5	77.3	—	84.8	124.5	—	209.3
Exploration and business development	20.9	18.5	—	39.4	54.9	—	94.3
General and administrative	93.0	4.0	—	97.0	46.7	—	143.7
Operating earnings (loss)	(92.3)	159.2	—	66.9	(20.6)	—	46.3
Other income (expense) - net	94.6	3.6	—	98.2	234.2	(309.9)	22.5
Equity in earnings (losses) of associate, joint ventures and intercompany investments	(44.4)	36.6	(172.7)	(180.5)	(0.8)	180.1	(1.2)
Finance income	25.8	16.0	(5.7)	36.1	74.2	(102.8)	7.5
Finance expense	(89.1)	(47.5)	5.7	(130.9)	(106.5)	102.8	(134.6)
Earnings (loss) before tax	(105.4)	167.9	(172.7)	(110.2)	180.5	(129.8)	(59.5)
Income tax recovery (expense) - net	1.4	4.8	—	6.2	(55.8)	—	(49.6)
Net earnings (loss)	$ (104.0)	$ 172.7	$ (172.7)	$ (104.0)	$ 124.7	$ (129.8)	$ (109.1)
Net earnings (loss) attributable to:							
Non-controlling interest	$ —	$ —	$ —	$ —	$ (5.1)	$ —	$ (5.1)
Common shareholders	$ (104.0)	$ 172.7	$ (172.7)	$ (104.0)	$ 129.8	$ (129.8)	$ (104.0)

KINROSS GOLD CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Consolidating statement of comprehensive income (loss) for the year ended December 31, 2017

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net earnings (loss)	$ 445.4	392.5	(392.5)	445.4	833.4	(836.6)	442.2
Other comprehensive income (loss), net of tax:							
Items to be reclassified to profit or loss in subsequent periods:							
Changes in fair value of investments [(a)]	(15.4)	—	—	(15.4)	1.8	—	(13.6)
Accumulated other comprehensive loss related to investments sold [(b)]	(3.1)	—	—	(3.1)	—	—	(3.1)

Changes in fair value of derivative financial instruments designated as cash flow hedges [c]	6.8	5.1	—	11.9	—	—	11.9
Accumulated other comprehensive income (loss) related to derivatives settled [d]	(2.6)	(10.6)	—	(13.2)	—	—	(13.2)
	(14.3)	(5.5)	—	(19.8)	1.8	—	(18.0)
Equity in other comprehensive income (loss) of intercompany investments	(3.7)	—	5.5	1.8	—	(1.8)	—
Total comprehensive income (loss)	$ 427.4	$ 387.0	$ (387.0)	$ 427.4	$ 835.2	$ (838.4)	$ 424.2
Attributable to non-controlling interest	$ —	$ —	$ —	$ —	$ (3.2)	$ —	$ (3.2)
Attributable to common shareholders	$ 427.4	$ 387.0	$ (387.0)	$ 427.4	$ 838.4	$ (838.4)	$ 427.4

(a) Net of tax of	$ —	$ —	$ —	$ —	$ 0.3	$ —	$ 0.3
(b) Net of tax of	$ —	$ —	$ —	$ —	$ —	$ —	$ —
(c) Net of tax of	$ 2.5	$ 2.3	$ —	$ 4.8	$ —	$ —	$ 4.8
(d) Net of tax of	$ (1.0)	$ (4.9)	$ —	$ (5.9)	$ —	$ —	$ (5.9)

Consolidating statement of comprehensive income (loss) for the year ended December 31, 2016

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net earnings (loss)	$ (104.0)	172.7	(172.7)	(104.0)	124.7	(129.8)	(109.1)
Other comprehensive income (loss), net of tax:							
Items to be reclassified to profit or loss in subsequent periods:							
Changes in fair value of investments [a]	49.8	—	—	49.8	1.0	—	50.8
Accumulated other comprehensive loss related to investments sold [b]	(8.5)	—	—	(8.5)	—	—	(8.5)
Changes in fair value of derivative financial instruments designated as cash flow hedges [c]	7.4	20.4	—	27.8	1.4	—	29.2
Accumulated other comprehensive income (loss) related to derivatives settled [d]	0.5	(2.7)	—	(2.2)	1.1	—	(1.1)
	49.2	17.7	—	66.9	3.5	—	70.4
Equity in other comprehensive income (loss) of intercompany investments	21.2	—	(17.7)	3.5	—	(3.5)	—
Total comprehensive income (loss)	$ (33.6)	$ 190.4	$ (190.4)	$ (33.6)	$ 128.2	$ (133.3)	$ (38.7)
Attributable to non-controlling interest	$ —	$ —	$ —	$ —	$ (5.1)	$ —	$ (5.1)
Attributable to common shareholders	$ (33.6)	$ 190.4	$ (190.4)	$ (33.6)	$ 133.3	$ (133.3)	$ (33.6)

(a) Net of tax of	$ —	$ —	$ —	$ —	$ —	$ —	$ —
(b) Net of tax of	$ —	$ —	$ —	$ —	$ —	$ —	$ —
(c) Net of tax of	$ 1.3	$ 8.9	$ —	$ 10.2	$ 0.4	$ —	$ 10.6
(d) Net of tax of	$ 0.2	$ (1.7)	$ —	$ (1.5)	$ 0.4	$ —	$ (1.1)

Consolidating statement of cash flows for the year ended December 31, 2017

	Guarantors				
	Kinross Gold	Guarantor	Guarantor	Total	Non-

	Corp.	Subsidiaries	Adjustments	Guarantors	guarantors	Eliminations	Consolidated
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings (loss)	$ 445.4	$ 392.5	$ (392.5)	$ 445.4	$ 833.4	$ (836.6)	$ 442.2
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	4.9	404.0	0.6	409.5	409.9	—	819.4
Loss (gain) on disposition of associate and other interests - net	5.4	—	—	5.4	(60.6)	—	(55.2)
Impairment, net of reversals	—	164.4	—	164.4	(239.9)	—	(75.5)
Equity in losses (earnings) of associate, joint ventures and intercompany investments	(679.4)	(232.9)	392.5	(519.8)	0.6	520.5	1.3
Share-based compensation expense	13.6	—	—	13.6	—	—	13.6
Finance expense	80.1	45.9	(1.9)	124.1	135.5	(141.8)	117.8
Deferred tax expense (recovery)	(1.5)	(69.3)	—	(70.8)	(5.6)	—	(76.4)
Foreign exchange losses (gains) and other	132.8	(1.3)	—	131.5	(163.4)	—	(31.9)
Reclamation expense	—	—	—	—	11.4	—	11.4
Changes in operating assets and liabilities:					—		
Accounts receivable and other assets	(1.7)	3.0	—	1.3	107.3	—	108.6
Inventories	3.5	(69.1)	(0.6)	(66.2)	(20.5)	—	(86.7)
Accounts payable and accrued liabilities	(4.9)	23.0	—	18.1	(66.6)	—	(48.5)
Cash flow provided from (used in) operating activities	(1.8)	660.2	(1.9)	656.5	941.5	(457.9)	1,140.1
Income taxes paid	—	(10.9)	—	(10.9)	(177.6)	—	(188.5)
Net cash flow provided from (used in) operating activities	(1.8)	649.3	(1.9)	645.6	763.9	(457.9)	951.6
Investing:							
Additions to property, plant and equipment	(5.7)	(410.8)	—	(416.5)	(481.1)	—	(897.6)
Business acquisition	—	—	—	—	—	—	—
Net additions to long-term investments and other assets	(26.2)	(24.2)	—	(50.4)	(23.4)	—	(73.8)
Net proceeds from the sale of property, plant and equipment	—	1.8	—	1.8	6.7	—	8.5
Net proceeds from disposition of associate and other interests	7.5	—	—	7.5	262.1	—	269.6
Decrease (increase) in restricted cash	—	(0.9)	—	(0.9)	0.4	—	(0.5)
Interest received and other	1.5	1.9	—	3.4	3.2	—	6.6
Net cash flow used in investing activities	(22.9)	(432.2)	—	(455.1)	(232.1)	—	(687.2)
Financing:							
Issuance of common shares on exercise of options	0.8	—	—	0.8	—	—	0.8
Net proceeds from issuance of equity	—	—	—	—	—	—	—
Net proceeds from issuance of debt	494.7	—	—	494.7	—	—	494.7
Repayment of debt	(500.0)	—	—	(500.0)	—	—	(500.0)
Interest paid	(62.9)	—	—	(62.9)	—	—	(62.9)
Dividends received from (paid to) common shareholders and subsidiaries	—	—	—	—	(316.1)	316.1	—
Intercompany advances	235.1	(240.0)	1.9	(3.0)	(138.8)	141.8	—
Other	(1.6)	—	—	(1.6)	—	—	(1.6)
Net cash flow provided from (used in) financing activities	166.1	(240.0)	1.9	(72.0)	(454.9)	457.9	(69.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	3.4	—	3.4
Increase (decrease) in cash and cash equivalents	141.4	(22.9)	0.0	118.5	80.3	—	198.8
Cash and cash equivalents, beginning of period	126.2	145.6	—	271.8	555.2	—	827.0
Cash and cash equivalents, end of period	$ 267.6	$ 122.7	$ 0.0	$ 390.3	$ 635.5	$ —	$ 1,025.8

Consolidating statement of cash flows for the year ended December 31, 2016

	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)	$ (104.0)	$ 172.7	$ (172.7)	$ (104.0)	$ 124.7	$ (129.8)	$ (109.1)
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	8.2	365.4	(0.6)	373.0	482.0	—	855.0
Loss (gain) on disposition of associate and other interests - net	—	—	—	—	—	—	—
Impairment, net of reversals	—	—	—	—	139.6	—	139.6
Equity in losses (earnings) of associate, joint ventures and intercompany investments	44.4	(36.6)	172.7	180.5	0.8	(180.1)	1.2
Share-based compensation expense	13.5	—	—	13.5	—	—	13.5
Finance expense	89.1	47.5	(5.7)	130.9	106.5	(102.8)	134.6
Deferred tax expense (recovery)	(1.5)	(57.5)	—	(59.0)	(90.7)	—	(149.7)
Foreign exchange losses (gains) and other	(67.3)	70.2	—	2.9	11.5	—	14.4
Reclamation expense	—	—	—	—	27.2	—	27.2
Changes in operating assets and liabilities:							
Accounts receivable and other assets	(2.3)	(23.3)	—	(25.6)	4.4	—	(21.2)
Inventories	(4.1)	(22.6)	0.6	(26.1)	105.6	—	79.5
Accounts payable and accrued liabilities	0.5	112.3	—	112.8	127.1	—	239.9
Cash flow provided from (used in) operating activities	(23.5)	628.1	(5.7)	598.9	1,038.7	(412.7)	1,224.9
Income taxes paid	—	(20.5)	—	(20.5)	(105.2)	—	(125.7)
Net cash flow provided from (used in) operating activities	(23.5)	607.6	(5.7)	578.4	933.5	(412.7)	1,099.2
Investing:							
Additions to property, plant and equipment	(5.5)	(291.2)	—	(296.7)	(337.1)	—	(633.8)
Business acquisition	—	(588.0)	—	(588.0)	—	—	(588.0)
Net additions to long-term investments and other assets	(8.7)	(28.5)	—	(37.2)	(22.6)	—	(59.8)
Net proceeds from the sale of property, plant and equipment	—	0.6	—	0.6	8.5	—	9.1
Net proceeds from disposition of associate and other interests	—	—	—	—	—	—	—
Decrease (increase) in restricted cash	—	(1.6)	—	(1.6)	0.5	—	(1.1)
Interest received and other	0.7	1.2	—	1.9	1.6	—	3.5
Net cash flow used in investing activities	(13.5)	(907.5)	—	(921.0)	(349.1)	—	(1,270.1)
Financing:							
Issuance of common shares on exercise of options	2.8	—	—	2.8	—	—	2.8
Proceeds from issuance of equity	275.7	—	—	275.7	—	—	275.7
Proceeds from issuance of debt	175.0	—	—	175.0	—	—	175.0
Repayment of debt	(425.0)	—	—	(425.0)	—	—	(425.0)
Interest paid	(73.5)	—	—	(73.5)	—	—	(73.5)
Dividends received from (paid to) common shareholders and subsidiaries	—	—	—	—	(309.9)	309.9	—
Intercompany advances	97.7	318.5	5.7	421.9	(524.7)	102.8	—
Other	(3.3)	—	—	(3.3)	—	—	(3.3)
Net cash flow provided from (used in) financing activities	49.4	318.5	5.7	373.6	(834.6)	412.7	(48.3)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	—	2.3	—	2.3
Increase (decrease) in cash and cash equivalents	12.4	18.6	—	31.0	(247.9)	—	(216.9)
Cash and cash equivalents, beginning of period	113.8	127.0	—	240.8	803.1	—	1,043.9

Cash and cash equivalents, end of period	$ 126.2	$ 145.6	$ —	$ 271.8	$ 555.2	$ —	$ 827.0

EXHIBIT 99.4

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors of Kinross Gold Corporation

We consent to the inclusion in this annual report on Form 40-F of:

- our Report of Independent Registered Public Accounting Firm dated February 14, 2018 addressed to the board of directors and shareholders of Kinross Gold Corporation (the "Company"), on the consolidated financial statements of the Company comprising the consolidated balance sheets of the Company as at December 31, 2017 and December 31, 2016, the consolidated statements of operations, comprehensive income (loss), cash flows and equity for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, and

- our Report of Independent Registered Public Accounting Firm dated February 14, 2018 on the Company's internal control over financial reporting as of December 31, 2017,

each of which is incorporated by reference in this annual report on Form 40-F of the Company for the fiscal year ended December 31, 2017.

We also consent to the incorporation by reference of such reports in the Registration Statements (No. 333-217099, No. 333-180824, No. 333-180823 and No. 333-180822) on Form S-8 of Kinross Gold Corporation.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 29, 2018
Toronto, Canada

EXHIBIT 99.5

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

The following disclosures are provided by Kinross Gold Corporation 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, 2017. 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, 2017. 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[2] Pending as of Last Day of Period Subtitle B/Subtitle C	Legal Actions Initiated During Period Subtitle B/Subtitle C	Legal Actions Resolved During Period Subtitle B/Subtitle C
Bald Mtn 26-01842	3	0	0	0	1	$ 6,245.00	0	No	No	0	0	2
Round Mtn 26-00594	4	0	0	0	0	$ 11,119.00	0	No	No	1	1	9
Fort Knox 50-01616	0	0	0	0	0	$ 348.00	0	No	No	0	1	1
Buckhorn 4503615	3	0	0	0	0	$ 9,345.00	0	No	No	3	5	2
Kettle River 4503283	0	0	0	0	0	$ 348.00	0	No	No	0	0	0
TOTAL	10[1]	0	0	0	1	$ 27,405.00[1]	0	No	No	4	7	14

(1) A number of the citations, alleged violations and proposed penalties issued by MSHA comprising these values are currently being contested.
(2) Legal action as used above means a single proceeding before the Review Commission addressing one or more citations, orders, penalty assessments or related claims.

Notes:

- This sheet includes all assessed and not assessed Significant & Substantial (S&S) citations and orders issued during calendar year 2017.
- Total dollar value of MSHA assessments proposed includes all citations/orders assessed during 2017.
- Total dollar value of MSHA assessments taken from MSHA.gov.

EXHIBIT 99.6

CONSENT OF JOHN SIMS
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2018

I hereby consent to being named and identified as a “qualified person” in connection with the mineral reserve and mineral resource estimates and the property descriptions in the Annual Information Form for the year ended December 31, 2017 (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 (No. 333-180824, 333-180823 and 333-180822) and Form F-10 (No. 333-223457) of Kinross Gold Corporation.

Sincerely,

/s/ John Sims

EXHIBIT 99.7

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, J. Paul Rollinson 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 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 during 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 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, 2018

/s/ J. Paul Rollinson
J. Paul Rollinson
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 99.8

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, Tony S. Giardini, 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 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 during 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 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, 2018

/s/ Tony S. Giardini
Tony S. Giardini
Executive Vice President & Chief Financial Officer
(principal financial and accounting officer)

EXHIBIT 99.9

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, 2017, J. Paul Rollinson 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) or 15(d) 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, 2018

/s/ J. Paul Rollinson
J. Paul Rollinson
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 99.10

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, 2017, Tony S. Giardini 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) or 15(d) 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, 2018

/s/ Tony S. Giardini
Tony S. Giardini
Executive Vice President & Chief Financial Officer
(principal financial and accounting officer)