Taking responsibility

2011 CORPORATE RESPONSIBILITY REPORT
Welcome to Kinross’ 2011 Corporate Responsibility Report. This report chronicles our progress over the past two years in delivering on our commitment to responsible mining.

Our goal is to provide a balanced and transparent account of our corporate responsibility strategy and performance, as well as our evolving relations with the communities where we work, employees and contractors, host governments, and non-profit and non-governmental organizations.

CORPORATE PROFILE

KINROSS GOLD is a Canadian-based gold mining company with mines and projects in Brazil, Canada, Chile, Ecuador, Ghana, Mauritania, Russia and the United States, employing approximately 8,000 people worldwide.

KINROSS MAINTAINS LISTINGS ON THE TORONTO STOCK EXCHANGE (SYMBOL: K) AND THE NEW YORK STOCK EXCHANGE (SYMBOL: KGC).

@KinrossGold
To learn more about our operations and projects visit kinross.com.

All dollar amounts included in this report are in U.S. dollars unless otherwise specified.
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Cover Photos (left to right): Jorge, Senior Geologist, Ecuador; Maria, Head of Refinery, Chile; Roger, IT Supervisor, Nevada, United States; Ahmed, Metallurgical Engineer, Mauritania.
MESSAGE FROM J. PAUL ROLLINSON, CEO

I was appointed CEO of Kinross only a few weeks before this report was published, and am pleased to have the opportunity to offer some introductory remarks.

While I am new to the position of CEO, I've been part of the senior management team since 2008. I have been deeply impressed by the commitment of our people at all levels to the basic principles of responsible mining. I believe that corporate responsibility is core to both our overall strategy and day-to-day activities, and it will remain a key priority for Kinross Gold.

Since our last corporate responsibility report was published two years ago, Kinross has experienced major changes. We have expanded into an entirely new region, West Africa, with our acquisition of two new mines – Tasiast in Mauritania and Chirano in Ghana. We have increased our workforce to approximately 8,000 employees. We have announced a new capital and project optimization process for preserving our financial strength as we advance our portfolio of development projects. Our operating and financial performance has been strong, and thanks to a rising gold price and solid production from our operations, we achieved record revenue and cash flow both in 2010 and 2011.

Meanwhile, the past two years have seen the mining industry buffeted by rising capital and operating costs. Equity markets have become increasingly risk-averse, due to the debt crisis in Europe and other geopolitical and economic factors, which in turn have led to a frustrating and unprecedented disconnect between higher gold prices and gold equity performance. This has produced a sharp decline in the market multiples of senior producers, including Kinross. The pressures on capital costs have also led Kinross to take a more measured and cautious approach to sequencing our growth projects.

Amid these challenging market conditions, our industry is seeing the continued growth of resource nationalism, as host states faced with revenue shortfalls, high debt, or both, are demanding a larger share of revenues from the companies licensed to extract their natural resources. The expectations of civil society institutions and local stakeholders also are on the rise, fuelled in many cases by the upsurge of instantaneous communication via social media.

In short, we are seeing an increase in the expectations of all stakeholders. And, in turn, resource producers are being subject to greater scrutiny – regarding their impact on the environment and communities, their relative risk as an investment vehicle, their governing principles, and their potential to act as an economic springboard for local development.

Understanding and balancing these diverse and evolving stakeholder needs and expectations is key to how we approach corporate responsibility at Kinross. That approach is founded on our Ten Guiding Principles for Corporate Responsibility, and realized through our Corporate Responsibility (CR) strategy. Our CR strategy incorporates a robust policy
framework articulating our specific commitments in key areas, and annually updated Site Responsibility Plans (SRPs), which help to provide a consistent approach to community engagement wherever we operate.

In the past two years, we have deepened our CR commitment in a number of areas. These include an expanded network of CR-based partnerships and commitments. We became a signatory to the United Nations (UN) Global Compact, engaging in the global dialogue on best practices in the areas of human rights, labour, environment and anti-corruption. We joined the Extractive Industries Transparency Initiative (EITI), a multi-stakeholder coalition that supports improved governance and transparency in resource-rich countries and the companies that operate in them. We implemented a comprehensive Human Rights Adherence and Verification Program that aligns our Company with the objectives of the Voluntary Principles on Security and Human Rights. Early in 2012, we began to work with the Devonshire Initiative, a forum for international development non-governmental organizations (NGOs) and mining companies that co-operate to respond to mining-related community development issues.

Arguably our most significant achievement has been the strong grassroots effort by our local community relations teams to implement our SRPs. The SRPs are designed to incorporate such features as stakeholder advisory committees, stakeholder mapping, grievance-response mechanisms, and community survey processes into local community plans. They are based on the “benefit footprint” concept, through which we seek to measure and optimize the net benefits of our activities to the communities and host countries where we operate. This means working in close partnership with communities to support long-term economic sustainability that extends beyond the life of our mining enterprise.

We are honoured by the recognition we have received for our corporate responsibility initiatives. In 2011, we were pleased to be named to the Dow Jones Sustainability World Index (DJSI World) for the first time and to maintain our position on the DJSI North America Index for the second year. Kinross was placed on the Ethibel Excellence investment register and the ECPI Global Carbon and Ethical Global Equity Indices. We were also named among Canada’s 50 Most Socially Responsible Corporations by Maclean’s magazine and the Jantzi Social Index for the fourth consecutive year and as one of Canada’s Best 50 Corporate Citizens by Corporate Knights magazine for the past three years.
Still, we recognize that we will continue to encounter new and ongoing challenges, the most important of which is the need to focus relentlessly on the safety of our employees and contractors.

Sadly, we experienced a fatality at our Kupol operation in 2010 and another at Fort Knox in 2011. Early in 2012, a worker at our Chirano facility in Ghana also suffered fatal injuries. We took immediate action to analyze the root causes that led to these accidents and put further safeguards in place. In April 2011, to reinforce safety as a top priority across the Company and to refocus our efforts to improve safety performance, all Kinross employees and contractors at every operation, project site and office stopped work and took two hours to reflect on our safety performance during a Global Time Out for Safety.

We face other challenges: the ongoing integration of our acquisitions, including building out Tasiast, an important project, in a country with limited infrastructure and a developing workforce; the need to attract the best talent in a highly competitive global market to support our development projects; and the ongoing engagement of our stakeholders, who are critical to our success and value-creation.

Addressing these challenges will be a key focus going forward. A strong commitment to corporate responsibility will remain an absolute non-negotiable standard for us as we build and maintain trust with host communities – securing our licence to operate both at our mature operations and development projects.

As a mining company investing billions of dollars around the globe, we have the opportunity to make a dramatic impact wherever we operate. Our goal is not just to be a good neighbour, but to make a sustainable improvement in the quality of life for people and communities where we work.

As with everything else, the commitment of our people to our core values and guiding principles is key to our success. I would also like to acknowledge the contributions of the Corporate Responsibility Committee of the Board, who continue to encourage the evolution of corporate responsibility at Kinross.

We do not pretend to have all the answers to what “responsible mining” looks like. We continue to learn from our experience and the best practices of others. I believe that we are making steady progress, and I trust that the performance reported in these pages will help to bear that out.

J. Paul Rollinson
Chief Executive Officer
Kinross Gold Corporation
MESSAGE FROM JAMES CROSSLAND, EXECUTIVE VICE-PRESIDENT, CORPORATE AFFAIRS

At Kinross, mining responsibly means conducting our operations safely, protecting the environment, engaging our stakeholders, and generating sustainable benefits for the communities where we work.

Whether at our established operations or new development projects, our Corporate Responsibility (CR) strategy provides a comprehensive framework to help us deliver on these commitments in a manner consistent with our Ten Guiding Principles for Corporate Responsibility.

Our CR strategy is designed to integrate corporate responsibility into business planning at each stage of a mine’s life cycle; to provide a systematic and structured approach to managing and measuring CR performance across multiple sites, life-of-mine stages, countries and cultures; and, through our Site Responsibility Plans (SRPs), to help us establish site-specific strategies for maintaining mutually beneficial long-term relationships with community stakeholders.

Since our last CR report, we have made considerable progress advancing corporate responsibility across our global operations by:

- Incorporating CR planning into Kinross’ business planning cycle;
- Integrating our Tasiast and Chirano operations into our Corporate Responsibility Management System (CRMS);
- Expanding our CRMS to include social management system policies and processes, providing the same rigour to areas of our social performance that we have in environment, health and safety;
- Updating our environmental management standards for air emissions, water management, storm water, chemical and petroleum management, tailings management, waste management, and biodiversity;
- Advancing the implementation of our SRPs by adding a Company-wide stakeholder engagement standard that will help us to build increasingly meaningful and productive relationships with our stakeholders;
- Expanding biennial environment, health and safety site audits to include social performance compliance against standards and guidelines;
- Developing Supplier Conduct Guidelines that articulate minimum standards of conduct for our suppliers regarding the environment, labour, human rights and anti-corruption; and
- Continuing our focus on worker safety, our number one priority, including the creation of the new role of Vice-President, Health and Safety, and membership in the International Mining Safety Roundtable, a group of senior professionals from the world’s leading mining companies who collaborate to strengthen safety practices and policies within the industry.
For Kinross, our success in corporate responsibility – as in other areas – is measured by our performance on the ground. Highlights from 2010 and 2011 include:

- Achieved Company-wide improvement in Medical Treatment Case Frequency Rate (MiFR) and Restricted Work Activity Frequency Rate (RWAfR) in 2010. In 2011, Lost-time Injuries (LTI) and Restricted Work Activity Cases (RWAC) increased over the prior year;
- Achieved two million hours worked without an LTI at Kupol in 2011, a full year without a recordable injury in 2011 at our growth projects at Dvoinoye in Russia and Lobo-Marte in Chile, and, at Fruta del Norte in Ecuador, a full year without an LTI or RWAC;
- Improved our Carbon Disclosure Project score to 73, placing us in the top 10% of Canadian reporting companies and earning us leadership recognition for our transparency and comprehensive disclosure of greenhouse gas emissions;
- Received Cyanide Code Certification at La Coipa in 2011, meeting our 2011 goal of having all sites, except those in West Africa, certified. Also in 2011, achieved recertification at Fort Knox and Round Mountain. Recertification of Paracatu was received in 2012;
- Achieved a full regulatory release from our Wind Mountain reclamation site in Nevada;
- Completed annual employee training in support of our Human Rights Adherence and Verification Program;
- Invested in employee training and development, including agreements with regional educational institutions;
- Supported a wide range of community development and capacity-building programs and partnerships, as outlined in this report; and
- Received numerous awards for our site performance, including the John T. Ryan Safety Award for excellence in safety performance and the GE Ecomagination Leadership Award for reduced water use, both at La Coipa; the National Safety and First Aid Competition Award for a second time at Chirano; the 2011 U.S. Bureau of Land Management’s Hardrock Mineral Environmental Award at Mineral Hill for land reclamation excellence; and, at Fruta del Norte, recognition as one of Ecuador’s Great Places to Work.

At the heart of this success are our employees, and their dedication to Kinross’ four values: putting people first; outstanding corporate citizenship; high performance culture; and rigorous financial discipline. Since 2009, through our Living Our Values Awards (LOVA), we have begun recognizing those employees whose actions and behaviours, based on the nominations of their peers, best represent these four values. The result has been overwhelming: from 200 nominations in 2009, to over 1,700 nominations for the 2011 awards. The LOVA program has highlighted the truly remarkable people who work for Kinross, and their initiative and enthusiasm. Indeed, in our 2011 biennial employee survey, 81% of respondents said they were proud to be part of Kinross.
There were also areas over the past two years where we did not meet our own or our stakeholders’ expectations. For example, at Kettle River-Buckhorn in Washington, U.S. we self-reported inconsistencies in our compliance sampling, and paid a fine as a result. In another case, due to a surveying error, we began construction of a road that encroached on indigenous land in Chile. These cases have led to a renewed focus on regulatory compliance, and strict operational controls over land disturbance and planning. In other instances, it has taken longer than we had hoped to resolve certain issues – often due to their complexities, or to circumstances beyond our control. For example, it has taken over two years to begin seeing progress with formalization of artisanal mining on our concessions in Ecuador.

In another case, the process to find a mutually acceptable approach for addressing Quilombola land claims in Brazil has taken longer than we would have liked. However, we expect that these challenges will be resolved collaboratively through our steadfast commitment to patient and respectful engagement, in a way that supports and aligns with existing cultural, governmental, and community institutions.

In our business, the social and political challenges of developing new mining projects today are often greater than the engineering challenges. There are critical capabilities, people and processes that a mining company needs to succeed in an increasingly complex geopolitical world – including a comprehensive corporate responsibility strategy, clear and transparent management and measurement tools, strong stakeholder partnerships, and, not least, an engaged and committed workforce.

At Kinross, we’ve worked very hard to get elements such as these in place. We believe our efforts have paid off, and we are working continually to identify areas where we can improve. We urge you to read our 2011 Corporate Responsibility Report, and to share your feedback on our performance.

James Crossland
Executive Vice-President
Corporate Affairs
Our approach to reporting

ABOUT THIS REPORT

Kinross published its first Corporate Responsibility Report in 2008. Our goal is to provide a balanced and comprehensive view of Kinross’ performance across our global operations in key areas of socio-economic, health and safety, and environmental responsibility.

This biennial Corporate Responsibility Report consists of our full report, the 2011 Data Tables, and the Global Reporting Initiative (GRI) Index. We have reported on the GRI G3 performance indicators that are most relevant to our business and have attempted to address the environmental, social and economic issues of specific interest to our broad range of stakeholders. We have also included broad performance targets for key areas, including the workplace, community, health and safety, and the environment.

REPORT SCOPE AND BOUNDARY

Performance is reported for the fiscal years ended December 31, 2010 and December 31, 2011. Where available, we have included data from previous years and performance trends, and initiatives and material subsequent events occurring in 2012. We have reported on our operations and growth projects where Kinross held a 50% or greater ownership position and for our operations and joint ventures where Kinross was the operating partner responsible for management and operational performance for a majority of 2010 and 2011.

The following changes of ownership have occurred since we published our 2009 report.

- **Tasiast and Chirano:** In September 2010, Kinross acquired Red Back Mining Inc. (Red Back Mining) which included a 90% ownership of the Chirano mine located in Ghana and 100% ownership of the Tasiast mine and development project located in Mauritania.

- **Kupol:** Kinross increased its ownership position in Kupol from 75% to 100% in 2011.

- **Crixás:** In June 2012, Kinross sold its 50% non-operating position in Crixás to AngloGold Ashanti Limited.

- **Dvoinoye:** Kinross acquired the Dvoinoye development project in August 2010. The project is located approximately 100 kilometres north of Kupol in the Russian Far East.

- **Round Mountain:** Kinross increased its ownership position in Round Mountain from 51% to 60% in 2011.
For 2010, we have reported on our 75% ownership position in our Kupol operation, 50% ownership position in Crixás and 50% ownership position in Round Mountain. For 2011, data reflects Kinross’ 100% ownership of Kupol after April 27, 2011. Data for both Crixás and Round Mountain have been reported based on our 50% ownership position in 2011, unless otherwise indicated.

Activities and initiatives at Tasiast and Chirano have been reported for both 2010 and 2011. Environmental data for both sites has been reported for 2011. Data for Chirano is based on Kinross’ 90% share of ownership.

We have also reported on safety performance for our non-operating projects at Fruta del Norte, Lobo-Marte and Dvoineye.

While the activities and initiatives of our reclamation sites are important to Kinross and have been reported qualitatively throughout the report, environmental data have not been reported for our reclamation sites. We believe this approach provides a thorough account of Kinross’ environmental, workplace, social and economic performance for the two years covered in this report.

As a result of ongoing efforts to improve reporting, some minor changes to previously reported data have been made. These are largely the result of improved data collection at our operating sites, as well as the implementation of standardized reporting protocols. Corporate-wide environmental data for 2009 and 2010 has also been restated to reflect the disposition of Crixás from Kinross’ portfolio of assets. The changes made have no material impact on reported performance characterization.

To support our corporate responsibility reporting, Kinross introduced an online data collection system to support performance reporting from our operating sites in key areas of environmental and social performance in 2012. Data were compiled and reviewed for accuracy as part of our internal quality assurance process prior to publication.

REPORTING CYCLE

Kinross publishes a comprehensive corporate responsibility report every two years. In the intervening years, we publish data that disclose key compliance, environmental, and safety performance data on an annual basis. Our most recent comprehensive report was published in 2010, covering the 2009 and 2008 fiscal years. Last published in 2011, the 2010 data tables provide detailed data for each operating site and are available on our website and should be considered an integral part of our corporate responsibility reporting. We also provide an annual update of our corporate responsibility activities in our annual reports. We plan to publish our next corporate responsibility report in 2014.

INTRODUCING TASIAST AND CHIRANO

Kinross acquired the Tasiast mine and development project and the Chirano mine upon completing its acquisition of Red Back Mining Inc. in September 2010.

The Tasiast mine is an open pit operation located in northwestern Mauritania and is approximately 300 kilometres north of the capital of Nouakchott. The Tasiast expansion project is an important asset in the Company’s long-term growth strategy.

The Chirano mine is located in southwestern Ghana, approximately 100 kilometres southwest of Kumasi, Ghana’s second largest city. Chirano achieved its first gold pour in October 2005. The operation includes both open pit and underground ore which are processed at the Chirano plant.
REPORT CONTENT AND MATERIALITY

This report is focused on those areas that Kinross and its stakeholders consider to be significant or material. Materiality is determined by an assessment of those areas of primary interest or importance to:

- Kinross employees, such as workplace health and safety, employee and career development;
- Our community stakeholders;
- Investors and shareholders; and
- Local, regional and national governments in the jurisdictions where we work.

Public perception survey results, combined with ongoing stakeholder engagement efforts, and the assessments and analysis of senior managers and employees who have front-line responsibility in key areas of corporate responsibility, helped to inform the priority content and relative weighting of the issues discussed in this report. We have also considered environmental and social issues of broad public interest, issues raised in the media or other public forums, and issues of particular interest to the global mining industry. In addition, we have been guided by our Ten Guiding Principles for Corporate Responsibility and by various external standards such as the UN Global Compact Principles, the Voluntary Principles on Security and Human Rights, and the GRI G3 Mining and Metals Sector Supplement Guidance for Defining Report Content.

The report includes a table of key stakeholder issues at our sites in the community. In our case studies, we have identified issues of broad interest to the global mining industry and related stakeholders, and have illustrated the Company’s approach to dealing with these.

We have reported on all G3 core indicators, on the Mining and Metals Sector Supplement, and on the G3 additional indicators to the extent that they are material to Kinross. Key performance indicators are reported on a Company-wide basis, a country and regional basis and by operating site.

Kinross continued to evaluate the merits of third-party assurance in 2011 and, in keeping with our previous reports, has elected to pursue a GRI check of this report. We are reporting to a GRI Report Application Level A. Our GRI Content Index, including the location of Standard Disclosures is available at http://takingresponsibility2011.kinross.com.

Throughout this report, the terms “Kinross” and the “Company” refer to Kinross Gold Corporation and/or its subsidiaries and affiliates.

If you require more information on this report, please contact:

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See GRI Application Level Check Statement
Managing corporate responsibility

OUR CORPORATE RESPONSIBILITY VISION

Kinross believes we have a responsibility to conduct our operations in a manner that is safe for our employees, protective of the environment and fair for the host countries and communities where our operations are located. Through responsible mining, we believe we can generate sustainable value in our host countries and host communities.

Corporate responsibility is integral to our business strategy not only because it is the right thing to do, but also because it is good for business. Preserving and extending our commitment to responsible mining directly impacts our business in critical areas – in maintaining our social licence to operate with host communities, in accessing and permitting new deposits with host governments, and in attracting investment from an equity market increasingly sensitive to risk factors associated with environmental and social performance.

Corporate responsibility is explicit in Kinross’ core purpose: To lead the world in generating value through responsible mining. It is the focus of one of our four values – “Outstanding corporate citizenship” – and is a key component of another, “Putting people first.” Our Ten Guiding Principles for Corporate Responsibility provide a set of clear non-negotiable standards that define our relationships with employees, partners and the communities affected by our operations.

our values

Putting people first
Outstanding corporate citizenship
High performance culture
Rigorous financial discipline

MOHAMED, Project Engineer, Mauritania
TEN GUIDING PRINCIPLES FOR CORPORATE RESPONSIBILITY

1. We put people first and our number one priority is the safety of every employee.

2. We maintain the highest standards of corporate governance, ethics and honesty in all of our dealings, and operate in compliance with the law, wherever we work.

3. We promote an ongoing dialogue and engagement with stakeholders in the communities where we operate, maintained in a spirit of transparency and good faith.

4. We exercise utmost vigilance in protecting the environment and seek ways to minimize our environmental footprint wherever we operate. We will always meet and, where possible, exceed regulatory requirements in our environmental performance.

5. We consider all aspects of an operation or new project – including social, environmental, and post-closure issues – when making our investment decisions.

6. We conduct all of our activities in accordance with accepted standards in the protection and promotion of human rights. We respect the cultural and historical perspectives and rights of those affected by our operations, in particular indigenous peoples.

7. We provide a rewarding and meaningful livelihood to our employees and strive to be an employer of choice.

8. We seek to maximize employment, business and economic opportunities for local communities from our existing operations and new projects.

9. We provide lasting benefits to the communities where we work by supporting sustainable initiatives to develop their social, economic and institutional fabric. We recognize that every community is unique, and we work with our community partners to ensure that our support matches their priorities.

10. We maintain an active engagement and dialogue with our global industry peers, associations, governments and civil society on CSR best practices and evolving global standards.
OUR STRATEGY

Our Corporate Responsibility Strategy, launched in 2009, integrates corporate responsibility into our business strategy at each stage of the mine life cycle by establishing: a policy framework to articulate our commitments in specific areas; a Corporate Responsibility Management System (CRMS) to define how these policies are implemented through social, environmental and health and safety programs; Site Responsibility Plans that provide a strategic approach for two-way stakeholder engagement, community investments and partnerships; and measurement and reporting criteria to track progress in each of these areas.

In this way, we have established a systematic and structured approach to managing and measuring corporate responsibility performance across the Company.

That overarching strategic framework for corporate responsibility has been a vital component in the successful integration into Kinross of our new West African assets – Tasiast in Mauritania and Chirano in Ghana – following the acquisition of Red Back Mining Inc. in 2010.

In 2010 and 2011, we realized several accomplishments which advanced our strategy.

- We became a signatory to the UN Global Compact, underscoring our commitment to engage in the global dialogue on best practices in the areas of human rights, labour, environment and anti-corruption.
- We became a supporter of the EITI, a coalition of governments, companies, civil society groups, investors and international organizations that supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. All extractive companies operating in EITI-implementing countries are required to disclose payments made to host governments. Mauritania and Ghana, where Kinross operates its Tasiast and Chirano mines respectively, have implemented the EITI.
- Early in 2012, we became a member of the Devonshire Initiative, a forum for international development NGOs and mining companies to come together in response to the emerging social agenda surrounding mining and community development issues.
- We implemented a comprehensive Human Rights Adherence and Verification Program that aligns our Company with the objectives of the Voluntary Principles on Security and Human Rights.
- We developed Supplier Standards of Conduct articulating Kinross’ expectations for supplier conduct regarding the environment, labour, human rights and anti-corruption.
- We updated our guidelines respecting the Company’s relations with indigenous peoples.
- We produced and distributed “Responsible Mining and You”, a reference guide that engages our employees in the on-the-ground implementation of our Guiding Principles for Corporate Responsibility.
- We became a member of the Devonshire Initiative, a forum for international development NGOs and mining companies to come together in response to the emerging social agenda surrounding mining and community development issues.
- We implemented a comprehensive Human Rights Adherence and Verification Program that aligns our Company with the objectives of the Voluntary Principles on Security and Human Rights.
- We developed Supplier Standards of Conduct articulating Kinross’ expectations for supplier conduct regarding the environment, labour, human rights and anti-corruption.
- We updated our guidelines respecting the Company’s relations with indigenous peoples.
- We produced and distributed “Responsible Mining and You”, a reference guide that engages our employees in the on-the-ground implementation of our Guiding Principles for Corporate Responsibility.
ENSURING ETHICAL CONDUCT

Our Ten Guiding Principles for Corporate Responsibility underscore Kinross’ commitment to the highest standards of ethics and honesty: “We maintain the highest standards of corporate governance, ethics and honesty in all of our dealings, and operate in compliance with the law wherever we work.”

The Kinross Code of Business Conduct and Ethics (Code) addresses workplace policies, environment, health and safety issues, third-party relationships, legal compliance, confidentiality issues and the use of Kinross assets. It strictly prohibits corruption, including participation in any bribes, kickbacks, or improper inducements or payments to any public official. The Code provides a framework for Kinross directors, employees and contractors and applies to all Kinross operations and to Kinross operated joint ventures. Our Whistleblower Policy provides employees and non-employees with a mechanism to confidentially report any concerns regarding accounting, auditing matters or concerns related to the Code such as corruption and bribery. All employees are required to sign the Code and the Whistleblower Policy upon hiring, and required to sign off on the Code annually. To read the Code, visit www.kinross.com/about-kinross/corporate-governance/code-of-business-conduct.aspx.

In addition to the Code of Business Conduct and sign-off, we initiated the development of a Kinross education presentation and protocol regarding anti-corruption laws, company expectations for ethical behaviour and compliance, and risks of non-compliance with the Code. The education presentation and protocol is designed to strengthen employee understanding and awareness of these issues, and reinforce implementation of measures to prevent corrupt activities across Kinross operations. The protocol is being rolled out across Kinross in 2012.

Although not an area of strategic focus, donations to political parties and politicians are made from time to time in accordance with Kinross’ Code of Business Conduct and Ethics, Kinross’ Corporate Donations and Sponsorship Policy and approved by the Executive Vice-President, Corporate Affairs.
KEY RISKS, IMPACTS AND OPPORTUNITIES

Our global operations create both opportunities and risks due to the nature of mining, exploration and development activities. They provide significant local employment and economic benefits. They also use water and energy resources and can have potentially significant environmental impacts if they are not designed and managed well. Our operations also affect community stakeholders, including indigenous peoples. These risks must be managed in order to maintain the Company’s ability to develop or operate its mining properties.

Kinross has focused attention on managing these issues by setting high performance standards, allocating the necessary resources, assigning responsibility and accountability for their management, and routinely reviewing performance, improvement opportunities and risks.

The Kinross Enterprise Risk Management program provides a framework for identifying risk across the Company’s operations and development projects. The Audit and Risk Committee of the Kinross Board of Directors reviews the principal risks affecting Kinross’ business on a quarterly basis. Each of our sites has a risk champion and, as a key element of each site’s strategic business management plan, site risks are reviewed and reported monthly and progress is tracked. At every Kinross site and project, we also conduct annual risk management workshops, which bring together corporate and local leaders to analyze and rank operational, economic, political, environmental and social trends and risks, including human rights and security risks, that could affect current performance or future plans.

While we strive to design and manage our operations to minimize our environmental impact, some effect is inevitable due to the nature of mining. Environmental programs, including routine inspections, monitoring, independent assessments, and audits, are in place at each operation to ensure that such impacts are controlled, and risks are mitigated and limited to the unavoidable on-site impacts allowed by permits. Beyond that, Kinross conducts Engineered Risk Assessments (ERAs) on a periodic basis at each of its operations and development projects. The ERA is a comprehensive review of potential environmental risks that could arise as the result of failures of engineered systems, such as pumps, pipelines, dams, and structures, and helps identify areas where system redundancies or other risk management measures are required. We also conduct these ERAs during the mine design phase, to ensure that proper safeguards are built into the projects from the beginning.

Water is an important area of risk at our operations, and management programs are in place at all of our operations. These programs include predictive water balance models, continuous improvement programs, and performance monitoring systems. Risks associated with water quality, title to water rights, access to usage permits, impact on local communities and cost are evaluated in water-sensitive regions. Corporate management policy is to minimize our water use in water-stressed areas and, in all cases, to not have a significant impact on water supply or quality. Maricunga, La Coipa and Tasiast are all located in water-stressed regions.

Upon mine closure, Kinross systematically reclaims land affected by mining for productive post-mining uses. Read more about our reclamation program in this report.

Specific risk factors are outlined in the Company’s Annual Information Form available on our website. The Company’s submission to the Carbon Disclosure Project addresses the question of potential risks related to climate change.
CONFLICT MINERALS

At Kinross, we believe that responsible mining and related activities can play an important role in achieving sustainable development and alleviating poverty in developing countries. In advancing these goals, we do not condone, support or in any other way accept the use of gold mining to support conflict.

We have programs and procedures in place that underline our position, clearly communicate it to our employees, suppliers and the public, and provide appropriate due diligence at our mines:

- As a signatory to the UN Global Compact, we support best practices in the areas of human rights, labour, and anti-corruption;
- Kinross endorses the Principles and Criteria of the EITI. Our operations in Ghana and Mauritania each report into the EITI reporting systems in those countries, which have been determined by EITI to be fully compliant with the Principles and Criteria;
- We have aligned our Company with the objectives of the Voluntary Principles on Security and Human Rights through the implementation of a Human Rights Adherence and Verification Program;
- We have set out our expectations for supplier conduct with respect to labour, human rights and anti-corruption through the introduction of our Supplier Standards of Conduct;
- We operate an Enterprise Risk Management program that is embedded in planning and performance at each stage of a mine life cycle, with oversight of the principal risks affecting Kinross’ business by the Board’s Audit and Risk Committee; and,
- We provide grievance mechanisms for any stakeholders to raise concerns about the mines’ activities.

Since 2010, Kinross has been a member of the World Gold Council’s Responsible Gold Steering Committee, which has developed, with input from a wide range of international stakeholders, a Conflict-Free Gold Standard. Comprehensive stakeholder consultation on an Exposure Draft was concluded at the end of June 2012. The Council expects to finalize the standard before year-end 2012. For more information, visit www.gold.org.

Most of the concern regarding Conflict Minerals has focused on the Democratic Republic of Congo (DRC). From 2005 to 2006, Kinross held a minority, non-operating interest in a private company exploring the potential to re-open a copper mine in the DRC, but the mine was never operational when Kinross held an interest and it had no employees. Kinross divested its interest in 2006.
CASE STUDY 01: ENGAGING EMPLOYEES IN RESPONSIBLE MINING

THE ISSUE: Helping employees “walk the talk” of corporate responsibility requires a company’s ongoing commitment to communication, training, and confirmation by way of shared success stories. It is a commitment all the more challenging for companies operating in a variety of countries and cultures. How does a company drive corporate responsibility into the bedrock of an organization?

THE KINROSS WAY

Corporate responsibility is a core element of both our values and our business strategy. Kinross’ Four Values – which include Putting people first and Outstanding corporate citizenship – and Ten Guiding Principles for Corporate Responsibility apply to every Kinross employee worldwide, and have been consistently showcased and reinforced through multiple communication channels and in all of our official languages since they were launched in 2007.

Since 2009, Kinross has undertaken several initiatives to reinforce its commitment to CR leadership, including the development and launch of a Company-wide CR strategy. The strategy provides an enhanced Policy Framework, a Corporate Responsibility Management System and site-specific Site Responsibility Plans that, together, are helping us ensure our behaviour on the ground consistently reflects our commitment to our communities.

With our workforce projected to increase as our growth projects are developed and come into production, it is essential that we continue to strengthen our CR-related employee engagement initiatives.

At the senior management level, we are systematically integrating CR risks and opportunities into our annual business planning cycle. Our CR site managers share best practices throughout the year by way of regular teleconferences, two-day workshops and other training, Kinross’ intranet site, and other information exchanges.

We engage with our global workforce through a variety of vehicles, including our annual Living Our Values Awards and such communication channels as the employee magazine Kinross World, electronic newsletter Kinross World Now, the Kinross Connected intranet, quarterly CEO Town Hall meetings, and our biennial Corporate Responsibility Report.

In 2011, we produced a new 40-page handbook for employees, Responsible Mining and You, and distributed copies to our global workforce in English, French, Spanish, Portuguese and Russian. The handbook details what corporate responsibility means to Kinross and why it is critical to our business, underlining our fundamental responsibility to respect and care for our fellow employees, our communities and the environment. Its purpose is to reinforce that the Company’s reputation as a responsible mining company depends entirely on the collective efforts of employees worldwide.

Our 2011 employee survey told us that more than 79% of Kinross employees recognize and value Kinross’ corporate responsibility efforts. The CR Handbook is one additional tool to keep corporate responsibility top of mind every day.
OUR POLICY FRAMEWORK AND CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

Kinross' policy framework supports our Corporate Responsibility Strategy by articulating our commitments and standards in key areas, including environment, health and safety, social and community, suppliers and human rights.

Our Corporate Responsibility Management System (CRMS) encompasses these commitments and the associated systems for management, reporting, training and auditing our standards. The CRMS is modelled on ISO 14001 and OHSAS 18001, and requires each operation to establish management systems that address site-specific performance criteria and the procedures, responsibilities, and metrics necessary to maintain those criteria. In 2010, we introduced SRPs to incorporate social management system policies and processes to provide the same rigour to areas of our social performance that we have long established in environment, health and safety. Through our comprehensive CRMS, our operators around the world are guided and their performance measured by standards, guidelines and benchmarks in areas such as stakeholder engagement, community investment strategies, community grievance procedures and social impact assessments.

Corporate responsibility targets are set by each site annually and incorporated in the site’s corporate performance targets. Our CRMS requires our sites to measure and report their performance against Company-wide CR policies and standards. We conduct biennial audits of on-the-ground compliance with our standards in key areas of environment, health and safety, and community relations. We have also developed CRMS-specific metrics to track individual site performance in environment, health and safety, and community relations on a quarterly and annual basis, as part of the corporate performance management system.

In 2010 and 2011, we strengthened our policy framework and CRMS by:

- Updating our environmental management standards for air emissions, water management, storm water, chemical and petroleum management, tailings management, waste management, and biodiversity;
- Continuing development on our Climate Change strategy;
- Completing our new Supplier Standards of Conduct and beginning development of The Kinross Way for supply chain management, with the aim of streamlining and making more transparent Kinross’ procurement processes;
- Expanding audit protocols to measure social performance against standards and guidance, with the first round of audits set for 2012; and
- Integrating our Tasiast and Chirano operations into our CRMS.
While Kinross has historically required contractors working on its sites to meet standards for health, safety and environment, in 2011, we began development of broader Kinross-specific standards according to which Kinross expects its suppliers to conduct their business. Building upon our Ten Guiding Principles for Corporate Responsibility and the Principles of the UN Global Compact, these standards require that suppliers conduct their operations safely and comply with applicable anti-corruption laws, the Kinross Code of Business Conduct and Ethics and the fundamental principles of the UN Global Compact respecting human rights, labour standards, environmental protection, and anti-corruption.

Our Supplier Standards of Conduct were subsequently approved, and rollout began early in 2012. Suppliers will be required to reaffirm their understanding and agreement to comply with the standards every three years, and will be subject to periodic on-site review of their operations.
SITE RESPONSIBILITY PLANS

The success of our Corporate Responsibility Strategy is measured by how we perform across our global operations.

To help ensure that our actions in the community consistently align with our Ten Guiding Principles for Corporate Responsibility, our SRPs provide a consistent Kinross Way for managing community issues at the site level. SRP planning and implementation is a cornerstone of CR performance, establishing site-specific strategies for meeting our objective of maintaining solid long-term relationships with community stakeholders based on trust, respect and partnership. SRPs are living documents that are updated annually, or more frequently if required by changing circumstances at our sites.

The SRPs establish a systematic foundation for stakeholder engagement and community-based initiatives that build on Kinross best practices while providing the latitude for each site to develop responses appropriate to local stakeholder needs and aspirations. They include these key components:

- **Engagement**: We will establish and maintain an ongoing dialogue with stakeholders in the communities where we operate, maintained in a spirit of transparency and honesty.

- **Evaluation**: We will conduct analysis of stakeholder feedback, community aspirations and resources, project impacts, socio-economic data and other information to inform our project designs and community development strategies.

- **Action**: We will work proactively to identify strategic initiatives, based on the results of engaged evaluation of stakeholder interests and concerns, designed to consolidate sustainable benefits within the communities where we operate.

- **Monitoring**: We will conduct regular, quantitative and qualitative measurement of the effectiveness of our corporate responsibility initiatives to inform further engagement, evaluation and action.

We have also developed a system for reporting community-relations performance, with the goal of establishing an objective approach for judging performance consistent with our existing reporting systems. In 2011, sites began reporting on a pilot basis. They tracked:

- The frequency of day-to-day interactions with stakeholders;
- The effectiveness of community spending in terms of the number of beneficiaries and the identification of key performance metrics to judge the results of that spending over time;
- Community perceptions; and
- The value of the operation's benefit footprint.

We will continue implementation of the SRPs in 2012, with a focus on embedding and elevating CR best practice into the Company's business planning cycle and CR performance into comprehensive operations reporting.
MEASURING PERFORMANCE

At Kinross, we demand a high level of accountability for corporate responsibility performance across our global operations. We measure our CR performance in three comprehensive ways:

**Lagging Indicators:** Our mandate is to meet and, where possible, exceed environmental, health and safety regulatory requirements at all of our operations, exploration sites and closure properties. Failure to meet regulatory requirements is measured by lagging indicators and enforcement actions, such as notices of violation, regulatory notices, major releases and permit exceedances. Social performance is measured by stakeholder grievances, public perception surveys, and company-community conflict situations.

**Leading Indicators:** We also measure leading indicators of performance, including: internal inspections and employee training in environmental, health and safety matters; interactions with local stakeholders; and implementation of proactive programs defined by community-company dialogue and partnerships. These leading indicators provide us with a proactive look at the management programs in place that will prevent releases, permit excursions, enforcement actions and workplace accidents.

**Site Audits:** We assess our performance against the standards and expectations outlined in our CRMS through a comprehensive internal auditing program, which systematically measures our success and identifies opportunities for improvement at each site every two years. These audits play a critical role in assessing our performance against our CRMS. The audit protocols were expanded in 2011 to measure social performance against our standards and guidance.

We also track our performance by way of internal perceptions, through our regular employee surveys, as well as external rankings for corporate responsibility and governance, and our inclusion in socially responsible investor indices. As part of our SRPs, we began to systematically track perceptions through stakeholder surveys and other feedback mechanisms.
GOVERNANCE AND ORGANIZATIONAL STRUCTURE

Our organizational structure strengthens our governance of corporate responsibility, acknowledging the crucial importance it plays in maintaining our social licence to operate.

Management responsibility resides:

- At the Board level, with the Corporate Responsibility Committee. This committee oversees the development and implementation of policies and best practices relating to environment, health and safety and social performance in order to ensure compliance with applicable laws and Kinross’ CR guidelines and policies; and
- At the Senior Leadership Team, with the External Relations and Corporate Responsibility (ER/CR) Group headed by our Executive Vice-President, Corporate Affairs, who reports directly to our Chief Executive Officer. The ER/CR Group oversees corporate responsibility including environment, community relations and project permitting, each a strategic priority for the Company. The composition of the group, which also includes government relations and corporate communications, reinforces collaboration among the key functions associated with corporate responsibility, permitting and external relations.

The Senior Vice-President of Environment and Project Permitting and the Vice-President of Corporate Responsibility report to the Executive Vice-President, Corporate Affairs. The Vice-President of Health and Safety reports to the President and Chief Operating Officer. Each operation has designated teams for environment, health and safety, and community relations, reporting to site operations management. A cross-functional CR Working Group made up of regional and corporate representatives from departments such as supply chain, legal, human resources, environment, security, and finance is called on as needed to provide guidance in CR policy development and strategy implementation.

For additional information on Kinross corporate governance, see our 2011 Annual Report on kinross.com

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
EXECUTIVE VICE-PRESIDENT
CORPORATE AFFAIRS
SENIOR VICE-PRESIDENT
ENVIRONMENT & PROJECT PERMITTING
PRESIDENT AND CHIEF OPERATING OFFICER
VICE-PRESIDENT
CORPORATE RESPONSIBILITY
CORPORATE RESPONSIBILITY WORKING GROUP

CORPORATE RESPONSIBILITY BOARD COMMITTEE

EXECUTIVE VICE-PRESIDENT CORPORATE AFFAIRS

SENIOR VICE-PRESIDENT ENVIRONMENT & PROJECT PERMITTING

VICE-PRESIDENT CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY WORKING GROUP

BOARD OF DIRECTORS CORPORATE RESPONSIBILITY COMMITTEE

John K. Carrington
Corporate Director

Kenneth C. Irving
Corporate Director

John A. Keyes
Corporate Director
Chair, CR Committee

Catherine McLeod-Seltzer
Chair, Pacific Rim Mining Corporation

Terence C. W. Reid
Corporate Director
VOLUNTARY COMMITMENTS AND MEMBERSHIPS

CORPORATE
- Business for Social Responsibility
- Carbon Disclosure Project
- Devonshire Initiative
- Extractive Industries Transparency Initiative (EITI)
- International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold
- International Network for Acid Prevention
- United Nations Global Compact
- Voluntary Principles for Security and Human Rights
- World Gold Council

CANADA
- Canada Council for the Americas
- Canadian Business for Social Responsibility
- Mining Association of Canada
- Prospectors and Developers Association of Canada (e3 Plus)

UNITED STATES
- Alaska Chamber of Commerce
- Alaska Miners Association
- Association of Washington Businesses
- Buckhorn Community Advisory Association
- Council of Alaska Producers
- Eastern Washington Workforce Development Council
- Fairbanks Chamber of Commerce
- Ferry County Chamber of Commerce
- Ferry County Historical Society
- Ferry County Visitor and Convention Bureau
- National Mining Association
- Nevada Mining Association
- Okanagan Economic Alliance
- Republic Chamber of Commerce
- Resource Development Council
- The Northwest Mining Association
- Tri-County Economic Development District
- Women’s Mining Coalition

BRAZIL
- Associação Mineira de Defesa do Ambiente (Minas Gerais Association for Environmental Protection)
- Brazilian Association for Protection of Child and Youth Rights (ABRINQ)
- Brazil-Canada Chamber of Commerce
- Brazilian Mining Industry Technological Development Agency
- Brazilian Mining Institute (Instituto Brasileiro de Mineração)
- Commercial and Industrial Association of Paracatu
- Minas Gerais Association of Commerce – Mining Commission
- Minas Gerais State Industry Federation (FIMG)
- Movimento Verde de Paracatu
- Sustainable Development Agency of Paracatu

ECUADOR
- Canada-Ecuador Chamber of Commerce
- Council for Responsible Mining in Ecuador (CONMIN)
- Ecuadorian Consortium for Social Responsibility (CERES)
- Mining Chamber of Ecuador
- Mining Chamber of Zamora-Chinchipe

CHILE
- Chile-Canada Chamber of Commerce
- Consejo Minero de Chile
- Corporación Pro Atacama (CORPROA)
- Prohumana Chile

RUSSIA
- American Chamber of Commerce in Russia (Amcham)
- Canada Eurasia Russia Business Association (CERBA)
- Foreign Investment Advisory Council (FIAC)
- International Council for Co-operation and Investment (ICCI)
- Mining Advisory Council
- Russian Gold Producers’ Union

GHANA
- Ghana Chamber of Mines

MAURITANIA
- Fédération des Industries de Mauritanie (FIM)

ARTEM, Surface Mechanic, Russia
AWARDS AND RECOGNITION

- Named to the Dow Jones Sustainability World Index (DJSI World) in 2011 and to DJSI North America Index in 2010 and 2011.

- Placed on Ethibel Excellence investment register, Ethical Global Equity and ECPI Global Carbon Indices.

- Named among Canada’s 50 Most Socially Responsible Corporations by Maclean’s magazine and Jantzi Social Index for fourth consecutive year.

- Named as one of Canada’s Best 50 Corporate Citizens by Corporate Knights in 2010, 2011, and 2012.


HEALTH AND SAFETY

- At Chirano, received 2011 National Safety and First Aid Competition Award for second time, with a final score of 89% – the highest ever recorded in the history of the competition.

- At La Coipa, received prestigious 2011 John T. Ryan Safety Award for excellence in safety performance from the Chilean Institute of Mining Engineers.

- At La Coipa, received Atacama Regional Committee of Safe Mining Award for being one of the safest mines in the region, achieving 3.8 million hours without an LTI.

- In 2010, Round Mountain, Kettle River-Buckhorn and Fort Knox, all in the U.S., recognized for outstanding safety achievement, each winning their state’s Sentinel of Safety award in the Large Mill Category. Round Mountain was also the national runner-up in this category.

WORKPLACE

- In 2011, named one of Canada’s 10 Most Admired Corporate Cultures by Waterstone Human Capital, a leading executive search and professional recruitment firm.

- In 2010, Kinross in Ecuador was recognized as one of the Great Places to Work in Ecuador, the only mining company in Ecuador to make the list, and the only mining company in the country to ever win the award.

- Named one of Greater Toronto’s Top Employers for 2011.

ENVIRONMENT

- At La Coipa in 2010, received GE Ecomagination Leadership Award for reduced water use, benefitting one of the most water-stressed areas of Chile.

- At Mineral Hill in Montana, received U.S. Bureau of Land Management’s Hardrock Mineral Environmental Award in 2011 for exceptional performance and as a model of land reclamation excellence.

- At Paracatu in 2011, recognized by Benchmarking Brazil as one of the best corporate environmental managers in the country for its contributions to the revitalization and preservation of Rico Creek in Paracatu.
MINING GOLD RESPONSIBLY

1. EXPLORATION
   Objective
   • Prospecting to discover and confirm mineral reserves
   Process
   • Begin with geological surveys, geochemical sampling and other minimal-impact methods to locate and delineate ore deposits
   • Advance to core drilling to determine ore grade and geologic characteristics when initial surveys are promising
   • Begin collection of environmental and community baseline information
   Responsibilities
   • Apply Kinross CRMS and standards
   • Ensure partners (junior gold companies, exploration partners) and contractors adhere to Kinross standards
   • Establish transparent channels for dialogue with stakeholders
   • Initiate preliminary assessment of key community, environmental and human rights issues that may arise if a mine is developed

2. DEVELOPMENT
   Objective
   • Design and receive approval for mine construction and operation
   Process
   • Complete concept, pre-feasibility and feasibility studies
   • Complete engineering design of optimal mining method (open-pit or underground) and mineral recovery process during project implementation
   • Obtain necessary permitting, construction and operating approvals
   • Obtain land and water rights
   Responsibilities
   • Develop environmental, health and safety procedures for construction and operation
   • Complete collection of environmental and community baseline information
   • Complete assessment of key community, environmental and human rights issues and incorporate management strategies as needed into project design and Site Responsibility Plan (SRP)
   • Consult with stakeholders to ensure they understand the potential impacts of the project, and work to address stakeholder concerns. Secure broad community support through informed consultation
   • Assess availability of local talent pool and services

3. CONSTRUCTION
   Objective
   • Construct mining facilities in accordance with approvals, requirements and Kinross standards
   Process
   • Establish skilled construction team to execute development plan
   • Construct mine and processing facilities and associated infrastructure, such as roads, power and water lines, and employee facilities
   Responsibilities
   • Train employees and contractors in safety, health and environment practices, procedures and performance standards
   • Train management and security personnel in human rights
   • Maintain high environment, health and safety performance standards
   • Establish advisory groups and grievance procedures to ensure ongoing transparent dialogue with the communities
   • Identify and implement local employment and purchasing opportunities
   • Develop plan for transition from construction to operation
MINING GOLD RESPONSIBLY

Objective
- Operate a safe, environmentally sound, socially responsible, profitable, and efficient mining and processing operation

Process
- Drill and blast to access the ore
- Transport ore and country rock for processing or storage

Responsibilities
- Maintain best-in-class environment, health and safety (EHS) performance by setting clear objectives, maintaining operating procedures, training, monitoring performance, continuous improvement
- Provide rewarding career opportunities and competitive compensation and benefits to employees
- Routinely assess risks and implement risk management measures
- Continuously improve energy efficiency, water efficiency and waste minimization
- Maintain ongoing open communication with local communities through SRP
- Enhance benefit footprint in the community through SRP
- Measure success of community outreach programs through periodic socio-economic studies and surveys
- Concurrently reclaim disturbed land that is no longer needed for operations and regularly update closure plans

10-40+ years

MINING

Objective
- Operate a safe, environmentally sound, socially responsible, profitable, and efficient mining and processing operation

Process
- Mill by crushing and grinding ore and separating metals from rock through flotation or gravity concentration, followed by tank leaching with diluted cyanide solution (milling) or
- Place crushed ore on lined leach pad and dissolve gold with diluted cyanide solution (heap leach)
- Chemically recover gold from solution through electrowinning or precipitation
- Smelt precipitate and produce gold doré bars for shipping to a refinery
- Impound residue from ore processing in tailings area

Responsibilities
- Maintain best-in-class EHS performance
- Assist workforce in transition to new employment opportunities
- Engage with community and other stakeholders regarding closure plans and activities
- Assist community in closure transition

10-40+ years

PROCESSING

Objective
- Operate a safe, environmentally sound, socially responsible, profitable, and efficient mining and processing operation

Process
- Close and reclaim mine facilities to achieve approved post-mining land use and maintain environmental quality
- Satisfactory completion and termination of permit obligations

Responsibilities
- Maintain best-in-class EHS performance
- Assist workforce in transition to new employment opportunities
- Engage with community and other stakeholders regarding closure plans and activities
- Assist community in closure transition

5-20 years

CLOSURE AND RECLAMATION

10-40+ years

Objective
- Close and reclaim mine facilities to achieve approved post-mining land use and maintain environmental quality

Process
- Execute the approved closure and reclamation plan
- Conduct environmental monitoring to ensure reclamation success and environmental protection

Responsibilities
- Maintain best-in-class EHS performance
- Assist workforce in transition to new employment opportunities
- Engage with community and other stakeholders regarding closure plans and activities
- Assist community in closure transition

5-20 years

Objective
- Close and reclaim mine facilities to achieve approved post-mining land use and maintain environmental quality

Process
- Satisfactory completion and termination of permit obligations

Responsibilities
- Maintain best-in-class EHS performance
- Assist workforce in transition to new employment opportunities
- Engage with community and other stakeholders regarding closure plans and activities
- Assist community in closure transition

5-20 years
Economic responsibility

OUR COMMITMENT

We are steadfast in our pursuit of superior business and financial performance. Rigorous financial discipline and outstanding corporate citizenship are enshrined in our four core values, and we believe they go hand-in-hand. By succeeding as a business, we generate jobs and wealth in our host countries and are better able to support partnership initiatives that help to build capacity and sustain strong communities.

Since our last report, Kinross has recorded strong operating and financial results, driven by a strong gold price and increased gold production. This has translated into robust results in a number of key financial metrics including revenue, margins, cash flow, and cash flow per share. In February 2012, based on our operational performance and cash flow in 2011, we increased our semi-annual dividend from $0.06 to $0.08 per common share, an increase of 33%.

Regrettably, our share price has not tracked either our positive operating performance or the strong gold price environment, and shareholder returns in 2010 and 2011 were disappointing. This has been a major concern for the Kinross Board, management team, and employees, many of whom are shareholders. In this regard, Kinross is not alone, as our peers have also underperformed relative to the gold price in 2011, due in part to an increasingly risk-averse equities market in the wake of the European debt crisis.

Another reason for the underperformance of gold equities in 2011 and into 2012 has been an industry-wide increase in the capital cost of building new projects. A sharp global rise in new capital project development has put increased pressure on the cost of materials, labour, energy, engineering and equipment. In response to these rising capital demands, in early 2012, Kinross announced a capital and projects optimization process.

WARDEN, Mine Engineer (Generation Gold Program), Nevada, United States
The Company is limiting its capital allocation for growth projects to $1.0 billion to $1.5 billion annually, and is prioritizing its project pipeline to be evaluated and developed in sequence, rather than built in parallel – with Tasiast as our first priority – while extending the development timelines for Lobo-Marte and Fruta del Norte (FDN). We are determined to reduce risk, conserve our capital and liquidity, and provide an appropriate return to our shareholders as we grow. We are also applying this same level of rigour to decisions we make at our existing operations, including capital investments.

In a market that is often focused on a short-term horizon, we are making development and capital decisions for the next 10 to 20 years. Our sights remain firmly set on long-term value creation – for our shareholders, employees, and the communities where we operate.

At a community level, our approach is grounded in annually updated Site Responsibility Plans (SRPs), helping to ensure consistency in our engagement on issues of greatest interest where we operate, and in the “benefit footprint” concept, designed to maximize the economic and social benefits of our activities in the communities where we work.

2009 information has not been restated to conform with International Financial Reporting Standards (IFRS) and is presented in accordance with Canadian generally accepted accounting principles.
Our financial highlights for the years 2010 and 2011 include the following:

- Attributable production of approximately 2.3 million gold equivalent ounces in 2010 and 2.6 million gold equivalent ounces in 2011, a year-over-year increase of 12% and two-year increase of 17% over 2009;
- Revenue of approximately $3.0 billion in 2010 and $3.9 billion in 2011, a year-over-year increase of 31% and a two-year increase of 63% over 2009;
- Average attributable margin per gold equivalent ounce sold of $685 per ounce sold in 2010 and $906 in 2011, an increase of 32% year-over-year and an increase of 71% over 2009; and
- Adjusted operating cash flow of $1,109.6 million in 2010 and $1,598.7 million in 2011, an increase of 44% year-over-year and a two-year increase of 71% over 2009.

For a detailed account of Kinross’ 2011 and 2010 financial performance, see our annual reports on www.kinross.com.
DISTRIBUTING ECONOMIC VALUE*

The direct economic value we generated for our stakeholders in the reporting period included the following:

- **Cost of Sales**: Our attributable production cost of sales per gold equivalent ounce sold was $592 in 2011 and $506 in 2010, including labour, energy, consumables and maintenance costs, but excluding accretion, reclamation expenses, depreciation, depletion and amortization;

- **Wages and Benefits**: We provided payroll and benefits of $536.2 million in 2011 and $391.4 million in 2010;

- **Shareholder Value**: As a measure of our strong financial and operating performance, we paid dividends of $124.8 million to common shareholders of record in 2011 and $70.6 million in 2010. However, despite our strong operating and financial performance, our share under performance has resulted in a negative net return to shareholders in 2011. Our share underperformance has been the result of a number of factors, including significant external shocks to equity markets, including the debt crisis in Europe, and a significant increase in capital costs across the mining industry;

- **Payments to Providers of Capital**: Our interest and dividends paid to providers of capital in 2011 amounted to $134.6 million for the year compared with $85.9 million in 2010;

- **Payments to Governments**: We pay taxes and royalties in jurisdictions where we operate, including Canada, the United States, Brazil, Chile, Ecuador, Ghana, Mauritania and the Russian Federation. In 2011, we paid $546.5 million in income tax, mining tax, royalties and land use payments to various governments, compared with $438.2 million in 2010;

- **Direct Community Investments and Donations**: In 2011, Kinross contributed some $10.5 million in direct economic value through donations and community investments to our communities in Canada, the United States, Chile, Brazil, Ecuador, Ghana, Mauritania and Russia. In 2010, our contributions were $7.7 million;

- **Pension Plans**: Kinross does not currently have any active defined benefit plans in place;

- **Government Financial Assistance**: Kinross received $547,790 in financial aid from governments, apart from standard tax relief measures that are available to businesses in the jurisdictions where we operate in 2011;

- **Local Recruitment**: Wherever feasible, we hire employees locally and provide supply contracts to local and regionally based businesses. We have been able to successfully recruit the majority of our mine site operations and management teams from local talent pools. Approximately 97% of our total workforce, excluding contractors, is hired locally from the host community, region, state, province or country. To learn more go to The Kinross Benefit Footprint. See Case Study 4: Developing a Skilled Workforce in Mauritania;

- **Direct and Indirect Economic Value**: Kinross’ mining activities can help other economic sectors of society grow, particularly in remote regions and developing economies. In the Community section of this report, we discuss our community investment contributions in 2010 and 2011 – to schools, health care, local infrastructure, small business development, indigenous-related initiatives and other activities.

* Excludes Crixás unless otherwise stated.
### ECONOMIC VALUE DISTRIBUTED AND RETAINED

#### KINROSS TOTAL

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<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
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<tbody>
<tr>
<td>Direct Economic Value Generated</td>
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<td>2,915.4</td>
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<tr>
<td><strong>Economic Value Distributed</strong></td>
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<td></td>
</tr>
<tr>
<td>Operating Costs ¹</td>
<td>1,232.6</td>
<td>1,215.0</td>
</tr>
<tr>
<td>Employee Wages and Benefits</td>
<td>536.2</td>
<td>391.4</td>
</tr>
<tr>
<td>Payments to Providers of Capital ²</td>
<td>134.6</td>
<td>85.9</td>
</tr>
<tr>
<td>Payments to Governments ³</td>
<td>546.5</td>
<td>438.2</td>
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<tr>
<td>Community Investments ⁴</td>
<td>10.5</td>
<td>7.7</td>
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<tr>
<td><strong>Economic Value Retained</strong></td>
<td>1,382.1</td>
<td>777.2</td>
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¹ For purposes of calculating economic value distributed and retained, operating costs exclude depreciation, depletion and amortization, and impairment charges. Wages and benefits, community investments, and payments to governments, other than income and mining taxes, normally form part of operating costs, but have been excluded as they appear on separate lines in the calculations.

² Payments to providers of capital include dividends paid to Kinross shareholders and interest paid on long-term debt.

³ Payments to governments include income, mining and other taxes, certain royalties, and land use payments.

⁴ Community investments include donations and investments in non-core infrastructure.

⁵ Crixás related information for the current and prior periods has been excluded due to its disposal.

### 2011 ECONOMIC VALUE DISTRIBUTED AND RETAINED BY COUNTRY

<table>
<thead>
<tr>
<th></th>
<th>Direct Economic Value Generated</th>
<th>Operating Costs ¹</th>
<th>Employee Wages and Benefits</th>
<th>Payments to Providers of Capital ²</th>
<th>Payments to Governments ³</th>
<th>Community Investments ⁴</th>
<th>Economic Value Retained</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>709.7</td>
<td>259.2</td>
<td>56.4</td>
<td>1.8</td>
<td>15.0</td>
<td>2.8</td>
<td>374.5</td>
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<td>Chile</td>
<td>620.1</td>
<td>172.7</td>
<td>81.6</td>
<td>0.1</td>
<td>40.5</td>
<td>0.1</td>
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<tr>
<td>Ecuador</td>
<td>0</td>
<td>3.6</td>
<td>17.6</td>
<td>0</td>
<td>7.3</td>
<td>0.5</td>
<td>[29.0]</td>
</tr>
<tr>
<td>Ghana</td>
<td>414.3</td>
<td>150.9</td>
<td>21.3</td>
<td>0</td>
<td>44.2</td>
<td>1.3</td>
<td>196.6</td>
</tr>
<tr>
<td>Mauritania</td>
<td>308.9</td>
<td>117.3</td>
<td>43.7</td>
<td>0</td>
<td>20.4</td>
<td>1.1</td>
<td>126.4</td>
</tr>
<tr>
<td>Russia</td>
<td>761.1</td>
<td>92.5</td>
<td>68.0</td>
<td>0</td>
<td>244.8</td>
<td>2.0</td>
<td>353.8</td>
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<tr>
<td>United States</td>
<td>1,028.4</td>
<td>281.3</td>
<td>136.2</td>
<td>0</td>
<td>117.6</td>
<td>0.8</td>
<td>492.5</td>
</tr>
<tr>
<td>Corporate and Other</td>
<td>0</td>
<td>155.1</td>
<td>111.4</td>
<td>132.7</td>
<td>56.7</td>
<td>1.9</td>
<td>[457.8]</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,842.5</td>
<td>1,232.6</td>
<td>536.2</td>
<td>134.6</td>
<td>546.5</td>
<td>10.5</td>
<td>1,382.1</td>
</tr>
</tbody>
</table>

NOTE: Footnotes apply to both tables.
MEASURING OUR BENEFIT FOOTPRINT

Our goal, in partnership with our communities and stakeholders, is to maximize our benefit footprint – that is, the positive contribution – arising from our presence in a local community.

Mining creates wealth in the communities where we operate. At a global level and by country, this is captured in our reporting of economic value generated, distributed and retained. Locally, Kinross sites track our “benefit footprint.”

Measuring the benefit footprint begins with a geographic breakdown of our spending – in terms of direct benefits, taxes, wages and supplier purchases including capital expenditures – at the local, regional, national and international levels. Understanding our benefit footprint at each of our sites better informs our strategies for community engagement, community investment and public-private partnerships, local procurement, and hiring policies, processes and local impacts.

For example, at Kettle River-Buckhorn, we worked with the local region on community planning and economic development efforts, implemented a community investment committee, and updated our economic development strategy to better align Kinross’ community investments with current and evolving needs.

On a consolidated basis, the benefit footprint for Kinross shows the importance of procurement and wages and benefits in generating value within host countries. Including payments to governments, wages, and procurement, money spent within host countries amounts to approximately 65% to 75% of the total revenue. This includes operations and capital investment in projects.

The 2011 Kinross Benefit Footprint is based on the following: direct economic value generated includes income from financing activities and revenue from metal sales; spending includes both expensed and capitalized spending; host country spending is characterized as “local” within the appropriate “local” administrative unit (this varies by site but generally corresponds to municipality, county, or district); as “region” within the sub-national administrative unit (generally corresponding to state or provincial level); and as “outside region” for all other spending within the host country. These data do not include revenue from or spending by Crixás. Percentages do not add to 100% due to rounding.
### 2011 Procurement

<table>
<thead>
<tr>
<th>Country</th>
<th>Local / Regional</th>
<th>Domestic</th>
<th>Total Host Country</th>
<th>Imported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(outside local / regional area)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>64%</td>
<td>24%</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Chile</td>
<td>42%</td>
<td>57%</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>12%</td>
<td>88%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Ghana</td>
<td>0%</td>
<td>84%</td>
<td>84%</td>
<td>16%</td>
</tr>
<tr>
<td>Mauritania</td>
<td>0%</td>
<td>30%</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Russia</td>
<td>24%</td>
<td>18%</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>United States</td>
<td>60%</td>
<td>38%</td>
<td>98%</td>
<td>2%</td>
</tr>
</tbody>
</table>

1. Procurement includes total spending on goods and services including capital expenditures.
2. In-country spending includes distributors registered within the host country.
CASE STUDY 02: ENCOURAGING MINING INVESTMENT IN RUSSIA

THE ISSUE: Mining exploration is by definition a high-risk, capital-intensive activity in which few targets ever meet the technical and economic criteria for development. In return for assuming this risk, investors require a degree of certainty on their right to develop any discovery that may result from exploration, and to earn a return on their investment. What steps can mining companies take to work with resource-rich countries to encourage investment in exploration and to promote responsible mineral development – and the rewards for its citizens that follow?

THE KINROSS WAY

Kinross believes that responsible mining can generate value for a broad range of stakeholders and contribute significantly to a nation’s overall wealth. However, a favourable mineral resource endowment alone is not sufficient to attract investment in a competitive global capital market. It must be accompanied by constructive economic policies, a stable socio-political and regulatory environment, and a competitive investment and operating framework. Kinross works with governments and stakeholders to help encourage and attract investment in the mining industry at large, while recognizing that each jurisdiction offers a unique operating environment and varying expectations of responsible mineral development.

Russia is a prime example of a country which has great potential to reap the benefits of its mineral endowment, and is a significant producer of a wide range of mineral commodities, but which is at present considerably under-explored, due in large part to the lack of investment by the global mining industry. As the largest Canadian investor in the Russian Federation, and the largest foreign investor in Russia’s mining sector with a history of mine development going back to 1995, Kinross has demonstrated that the Russian economic, legislative and regulatory framework can allow successful foreign investment in the country’s mineral resource sector. But Kinross’ record of sustained investment is the exception rather than the rule. While Russia has potentially the largest concentration of the world’s hard mineral resources, the level of foreign investment in exploration and mine development is significantly lower than in other mining countries such as Canada and Australia. In fact, on the basis of exploration expenditure per unit of land area, Russia is the lowest of the major target destinations for exploration investment.

In 2010, Kinross became the first Canadian company invited to join Russia’s Foreign Investment Advisory Council (FIAC), a group of the CEOs of 42 international companies operating in Russia who engage in direct dialogue with the Russian Prime Minister on measures to improve the investment climate in Russia. At the FIAC plenary meeting in October 2010, Prime Minister Vladimir Putin expressed an interest in learning more about Kinross’ views regarding Russia’s opportunity to increase foreign investment in mineral exploration and mining.

In response to the Prime Minister’s request, Kinross undertook a comprehensive study to explore the steps Russia needed to take to attract increased investment. Kinross drew on its extensive experience in the gold mining sector in Russia, as well as an analysis of current practices in Canada and other countries that have been successful in attracting foreign investment in
mining. The resulting 72-page White Paper is entitled Fostering Foreign Investment in Mineral Exploration and Development in Russia. It suggests that, with a series of relatively modest adjustments to existing policies and regulations and the provision of greater protection and predictability for investors, Russia can realize its potential to attract levels of investment that would be more in line with its tremendous potential as a global leader in mineral exploration and development.

The report was presented by former President and CEO of Kinross Tye Burt to Prime Minister Putin at the 2011 FIAC plenary, and has been recognized by government officials, economic analysts, academics, and industry representatives as a valuable contribution to the ongoing dialogue on economic reform in a critical sector of the Russian economy.

According to a review of the paper by Russia’s New Economic School: “We generally agree with the main thrust of the White Paper – to establish clear and predictable rules for the sector and with specific recommendations on the legal and regulatory environment…The White Paper is especially valuable in identifying institutional constraints on foreign investment in the mining business.”

Following the presentation of Kinross’ White Paper, we have been working actively with other mining companies, legislators, regulators and the Russian Union of Entrepreneurs and Industrialists to continue the policy dialogue that has already yielded some positive reforms in the sub-soil regulatory framework. With relevant international research, open dialogue and constructive recommendations, Kinross’ experience demonstrates the potential for productive engagement with government stakeholders in economic and regulatory reforms in Russia.
CASE STUDY 03: SUPPORTING COMMUNITY SUSTAINABILITY AT PARACATU

THE ISSUE: Local communities benefit from mining through increased employment, direct and indirect business opportunities, and taxes generated by the mining operation. Mine employees and their families become an integral part of the community, participating in civic groups and community events. How can mining companies engage with existing government and civic institutions in a way that supports those institutions and contributes to community sustainability?

THE KINROSS WAY

Kinross’ commitment to being a good neighbour is embedded in our Ten Guiding Principles for Corporate Responsibility and realized through our SRPs. Through engaged co-operation, we not only seek to identify and address community concerns about mining impacts, but also strive to enhance the positive long-term economic and social benefits of our presence through thoughtful and strategic community partnerships.

Our Paracatu mine in Brazil offers one example of the ways in which we execute our commitment. Paracatu is a large-scale, open pit operation located adjacent to the city of Paracatu in the state of Minas Gerais. Gold mining has been associated with the Paracatu area since 1722, when placer gold was discovered in the creeks and rivers of the region. Modern mining operations have been ongoing since 1987. Kinross took a 49% ownership position in Paracatu in 2003 and has been the 100% owner and operator since 2004. In 2006, Kinross began an expansion of the mine and its processing facilities, extending their life to 2041.

The mine brings significant benefits to the city of Paracatu. In 2011, the mine had a workforce of about 4,000 employees and contractors, approximately 86% of whom were
CASE STUDY 03: SUPPORTING COMMUNITY SUSTAINABILITY AT PARACATU (continued)

born or lived in Paracatu. The mine uses the services of approximately 560 local suppliers, and generates approximately $70 million in direct local procurement on an annual basis. The City of Paracatu also receives significant revenues for public financing, both from local rural and property taxes, and from the Financial Compensation for Mineral Exploration royalty payment, approximately 65% of which is returned to Paracatu for use by the municipality. In 2011, total payments to government at the local level amounted to about $9.9 million.

Some of the initiatives that Kinross’ Paracatu team have taken over the years to enhance the benefits to Paracatu include our local supplier pre-qualification program, the annual Partnership Seminar process for selection of community projects for support by the mine, and several education and vocational training programs in partnership with the local schools and universities of Paracatu.

Our Paracatu team was also an active participant in the development of Paracatu’s Sustainability Development Plan 2030, a community-driven initiative by ADESP, the sustainable development agency of Paracatu. The process began in 2009 and involved several rounds of workshops, community discussions, and studies, all designed to form consensus around the key areas of focus for the community in planning for its long-term sustainability. The government, non-governmental organizations, other businesses, and citizens all participated in the process. The result is a planning document that outlines key objectives for the economic, environmental, social, and institutional sustainability of the city.

We have aligned our new social investment strategy with the Paracatu 2030 initiative by focusing our community investments in the four action areas of Paracatu 2030: youth education; training and income generation; environmental education; and culture and heritage. Our strategy establishes indicators for measurable and transparent results and, wherever possible, we promote partnerships and alliances with the business and academic communities as well as other local stakeholders. By working with a broad spectrum of Paracatu society in the identification, management and accountability of projects, Kinross seeks to establish itself as one of several voluntary collaborators in value-creating contributions to social, environmental and cultural projects of public interest and mutual benefit.
ECONOMIC RESPONSIBILITY

CORPORATE DONATIONS AND SPONSORSHIPS

We invest in local infrastructure, sponsorships and educational partnerships as well as other initiatives where we provide financial support, expertise and in-kind goods and services. In 2010, Kinross adopted a Corporate Donations and Sponsorship Policy, which identifies the following as key areas of focus in the communities where we operate:

- Health (including hospitals, children’s health and public health);
- Environment (including sustainability and alternative energy programs); and
- Education (including skills and vocational programs at the community level, and research and training programs relevant to the mining industry).

In addition, the Company considers contributions to non-profit organizations that undertake public policy research and/or promote initiatives aimed at advancing the cause of responsible mining and promoting international co-operation and development. The Company will also consider contributions to support entrepreneurialism and small businesses in the areas of strategic focus listed above.
CORPORATE CONTRIBUTION HIGHLIGHTS

Kinross donated $10.5 million in corporate donations to more than 100 charitable causes in 2011. In addition to the community investments and partnerships at the operations level, outlined in the In the Community section of this report, our corporate donation highlights for 2010 and 2011 include:

- In 2010, Kinross committed to contribute $10 million over three years to the development of a mining school in Mauritania. The goal is to help develop a pool of skilled in-country professionals and technical experts to support the future development of Mauritania’s mining industry, including Kinross’ Tasiast mine;

- In 2010 and 2011, we also fostered partnerships with other educational institutions in the regions where we operate, including a three-year, $1 million endowment to the University of Alaska Fairbanks for advanced training to mining engineering students and $300,000 in financial support to establish a professorship at Moscow’s New Economic School. In addition, in 2010, we donated CDN $1 million to the BetterPlanet Project at the University of Guelph in Guelph, Ontario, Canada, to create the Kinross Gold Chair in Environmental Governance. In 2012, we extended our commitment to the Department of Mining Engineering at Queen’s University in Kingston, Ontario, Canada to support the Kinross Professorship in Mining Health and Safety;

- In 2011, Kinross committed $2.5 million to build and help equip a new Medical Emergency Centre in Mauritania. The emergency centre will provide much-needed additional health care infrastructure for the country. It will serve the residents of Nouakchott (a city of approximately one million), as well as people from other parts of the country who largely depend on Nouakchott as a centre for health care services and resources;

- During 2010, corporate head office employees in Toronto raised more than CDN $85,000 in cash for such charities as Doctors Without Borders, the Heart and Stroke Foundation, World Vision, Prostate Cancer Canada, and the Duke of Edinburgh Awards. Employees also donated more than 227 kilograms of food for local food banks and gifts for families sponsored in our Adopt-a-Family Christmas program;

- Donated CDN $30,000 to the Canadian Red Cross to support relief efforts to Haiti following the devastating earthquake in March 2010;

- Continued to support the Duke of Edinburgh’s Award program in 2011. The program encourages youth to be active, to participate in new activities and pursue current interests in the areas of community service, personal skills development, physical recreation and adventurous journey; and

- Contributed CDN $50,000 in 2010 to support the construction of an Earth Science and Systems Building at the University of British Columbia. The new facility will incorporate the latest technologies to create a flexible learning environment to increase research capacity and promote collaboration.
In the workplace

**OUR COMMITMENT**

As an employer, we are committed to attracting and retaining the best people in the industry. Our goal is to be the “employer of choice” among global mining companies.

Our culture and commitment is underpinned by the first of Kinross’ four core values: “Putting people first”. Our responsibility to our employees begins with health and safety, our number one priority. We treat each other with fairness and respect, and seek to provide opportunities for professional development and personal growth. We foster a working environment that celebrates and supports diversity and recognize that, as a global company, we must remain sensitive to local cultures, customs and practices. We value innovation, adaptability and accountability in our workforce, and want our employees to be known for their passion, sense of urgency and initiative.
PERFORMANCE AND GOALS

Performance highlights in 2010 and 2011 include the following:

- Reorganized the human resources function to support growth, ensuring corporate standards are in place and met, while enabling the regions and sites to execute Kinross’ people strategy to meet local workforce needs;
- Advanced a global recruitment strategy and implemented regional recruitment plans;
- Established a human resources structure for West Africa, including a recruitment team, tools and processes;
- Developed a human capital strategy in Mauritania;
- Executed a Company-wide employee survey in 2011, achieving a participation rate of 78%;
- Established relationships with educational institutions in each region to support training and recruitment;
- Established Leadership Practices in 2010 and put in place a leadership development framework, including developing a Company-wide leadership strategy and curriculum;
- Advanced our program to accelerate future leaders from within the Company through succession management;
- Continued to focus on employee retention through action plans from the employee engagement survey, development of employees, supervisory training and ensuring our compensation programs are competitive;
- Expanded the Generation Gold program to include participants from each of our regions. Graduated the inaugural group of participants (from 2007) and transitioned them all into full-time positions around the globe;
- Advanced our review of global benefit programs for consistency and competitiveness, and advanced the development and deployment of compensation structures aligned to local market practices in key regions;
- Implemented an integrated Performance Management system in North America, with plans to continue roll-out in 2012;
- Received recognition from Waterstone Human Capital as one of Canada’s 10 Most Admired Corporate Cultures in 2011;
- Rolled out a Human Rights Adherence and Verification Program in 2010 and completed training in 2010 and 2011. Training will be conducted on an annual basis; and
- Celebrated our 2010 and 2011 Living Our Values Awards, honouring employees who demonstrate their commitment to our values.

2012 GOALS

- Deliver comprehensive leadership and employee development strategy.
- Continue to advance and expand the Generation Gold program across Kinross, including introducing an exploration-specific program and similar regional programs.
- Implement a comprehensive recruitment strategy, including university and Generation Gold recruitment.
- Initiate the development of a global labour relations standard for all of Kinross’ operations and development projects.
- Continue to support corporate leaders through “Leading at Your Level” – a leadership philosophy that includes a range of tools and guidance to help our leaders, senior operations and project leads develop and demonstrate leadership behaviours, support the Talent/Succession Management process and help them effectively lead at their respective levels within the Kinross organization.
**IN THE WORKPLACE**

### 2011 TOTAL EMPLOYEE WORKFORCE BY COUNTRY

<table>
<thead>
<tr>
<th>Country</th>
<th>2011 Workforce (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>15.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>2.9%</td>
</tr>
<tr>
<td>Chile</td>
<td>14.0%</td>
</tr>
<tr>
<td>Russia</td>
<td>20.4%</td>
</tr>
<tr>
<td>Mauritania</td>
<td>14.1%</td>
</tr>
<tr>
<td>Ghana</td>
<td>9.8%</td>
</tr>
<tr>
<td>U.S.</td>
<td>19.3%</td>
</tr>
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</table>

### 2008-2011 EMPLOYEE TURNOVER (percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary</td>
<td>7.2%</td>
<td>10.2%</td>
<td>6.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Involuntary</td>
<td>6.4%</td>
<td>5.7%</td>
<td>6.8%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

### 2011 EMPLOYEE TURNOVER BY GENDER AND REGION (percent)

<table>
<thead>
<tr>
<th>Region</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>South America</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>West Africa</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Russia</td>
<td>12%</td>
<td>9%</td>
</tr>
</tbody>
</table>

### TOTAL EMPLOYEE WORKFORCE BY EMPLOYMENT TYPE

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECTOR</td>
<td>130</td>
<td>175</td>
</tr>
<tr>
<td>OPERATOR / SKILLED TRADE</td>
<td>4,261</td>
<td>4,839</td>
</tr>
<tr>
<td>STAFF</td>
<td>1,849</td>
<td>2,933</td>
</tr>
<tr>
<td>TEMPORARY</td>
<td>305</td>
<td>219</td>
</tr>
<tr>
<td>SENIOR MANAGEMENT</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,609</td>
<td>8,230</td>
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</table>

### 2011 REGIONAL EMPLOYEE WORKFORCE BY EMPLOYMENT TYPE

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>North America</th>
<th>South America</th>
<th>West Africa</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECTOR</td>
<td>74</td>
<td>54</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>OPERATOR / SKILLED TRADE</td>
<td>1,198</td>
<td>1,022</td>
<td>1,487</td>
<td>1,132</td>
</tr>
<tr>
<td>STAFF</td>
<td>514</td>
<td>1,631</td>
<td>307</td>
<td>481</td>
</tr>
<tr>
<td>TEMPORARY</td>
<td>1</td>
<td>32</td>
<td>143</td>
<td>43</td>
</tr>
<tr>
<td>SENIOR MANAGEMENT</td>
<td>41</td>
<td>13</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,828</td>
<td>2,752</td>
<td>1,971</td>
<td>1,679</td>
</tr>
</tbody>
</table>
PRACTICES
OUR STRATEGY

Kinross aims to attract and retain the best people in the industry; provide a safe, rewarding, and engaging work experience; and foster a high performance work culture across our global operations.

In the coming years, Kinross must attract a significant number of new employees to support our current operations and growth projects. Our challenge is to do this in a very competitive market characterized by an aging workforce in some of the countries in which we operate, and a lack of educational infrastructure and significant skills gaps in others. In 2011, we implemented a number of strategies to focus our efforts on meeting this challenge.

Our strategic initiatives centre on:

- Attracting the employees to meet our current and future needs;
- Building a global workforce by providing skills training to new employees and career development opportunities for current employees;
- Developing and training employees, including leaders who model our values and create an inspiring and collegial workplace culture; and
- Engaging and retaining employees by supporting a safe and welcoming work environment and strong leadership.
FOSTERING A GLOBAL WORKFORCE

We are investing significant energy and resources in recruiting and developing talented people by:

- Launching a comprehensive and integrated global recruitment campaign based on the development and promotion of a distinctive Kinross Employer Brand. The Company’s strong commitment to Corporate Responsibility is a key element in the campaign, which is largely structured around testimonials from employees worldwide about their experiences working for Kinross. Elements include a new dedicated Careers section on the corporate website, videos, print advertising, targeted use of various social media channels, and extensive participation in job fairs, career days, and other recruiting events;

- Working with educational institutions to identify training and educational initiatives that are of mutual benefit to the region and to Kinross, as well as providing strategic support for post-secondary research. See Corporate Contribution Highlights in the Economic Responsibility section of this report;

- Developing local employees in countries such as Mauritania and Ecuador, where we face a major shortage of trained local workforce. We are creating and leveraging local skills development programs and advancing partnerships with technical institutions to instruct hundreds of local people. At Tasiast, we are investing in employee training, including establishing our own educational facilities to offer programs tailored to specific jobs. For more information, see Case Study 4: Developing a Skilled Workforce in Mauritania;

- Creating a global employment organization of senior professionals, technical trainers, and skilled tradespeople, who are assigned to operations or development projects as the need arises; and

- Introducing an integrated Performance Management system across our operations, with implementation in North America in 2011, and in Chile and Brazil in 2012. We also began to roll out our global performance management process to Ecuador, Russia and West Africa, with an emphasis on pay for performance, and further integrated the behavioural aspect of performance measurement.
CASE STUDY 04: DEVELOPING A SKILLED WORKFORCE IN MAURITANIA

THE ISSUE: Mineral resource development and its spinoff businesses can offer an important new source of high-quality jobs for people in developing countries. However, some developing nations lack the educational infrastructure or resources needed to adequately prepare candidates for skilled technical and professional positions in mining and related support industries. What measures can companies take to ensure they have the workforce to meet their current operations and future growth needs, while helping host nations build their educational capacity and prepare a new generation to compete successfully for skilled job opportunities?

THE KINROSS WAY

One of Kinross’ biggest challenges in a highly competitive labour market is attracting and retaining the best workers. At our Tasiast operation in northern Mauritania, which is currently undergoing a major expansion, we face the additional challenge of recruiting and training large numbers of employees in a country where there is a major shortage of skilled mining and construction workers against a backdrop of high youth unemployment.

Of the approximately three million inhabitants of Mauritania, about half participate in the labour force. Only 22% of youth and 56% of all adults over 30 are employed. The country has about 350,000 unskilled youth who have not completed secondary education, while 65,000 school dropouts enter the labour market annually. Gender gaps are also substantial. For example, labour force participation and employment ratios for females are half those of males.¹

Since September 2010 and through June 2012, Tasiast operations, exploration and project activities have, together, created over 4,000 jobs for Mauritanians. As of June 2012, over 5,000 Mauritanians were employed by Kinross Tasiast and its contractors (1,242 Tasiast employees and 4,250 employees of contractors).

To address this growth challenge, Kinross has implemented a comprehensive human resource strategy in Mauritania to meet our workforce needs. We are making significant investments in employee training, providing skills-upgrades for our current workforce and establishing training opportunities to develop new employees, and in employee recruitment, by targeting specific labour pools such as Mauritanian graduates, nationals living outside the country, local residents, and women.

Investing in Training

Some of our training initiatives are being conducted in partnership with existing educational institutions and training centres. These partnerships focus on providing upgrading opportunities for our current workforce, and development and employment opportunities for new employees. We have also created longer term programs to increase the academic levels of selected applicants in order to prepare them for specialized operator training or apprenticeship programs. Additionally, we have set up a testing and training centre in Nouakchott aimed at providing trade specific training and upgrades to graduates of technical national schools. Those upgrades, when successfully completed, often lead to employment within Tasiast directly or through a contractor.

Kinross expects its investment in Tasiast workforce training to total approximately $8 million in 2012, including salaries, equipment, and co-operative programs with technical institutes. As of July 2012, over 500 employees and trainees were involved in these training programs.

We are upgrading graduates of national technical schools and our workforce by:

- Providing top-up training in welding, millwright, mechanical, and electrical and instrumentation skills in partnership with two Mauritanian technical schools and the country’s Ministry of Employment and Technical Training; and
- Implementing many computer-based training programs for the operators and maintenance employees of the new Adsorption, Desorption and Refining plant, the mine and the current treatment plant.

We are developing new employees by:

- Launching a driving school for heavy equipment operators, with students completing equipment-specific training at our mine;
- Establishing off-site and on-site technical training facilities that focus on training personnel in specific skills, such as welding, electrical and instrumentation, as well as mobile equipment readiness programs required to operate the expanded mining and processing operation on a day-to-day basis; and
- Exploring an initiative to help local youth upgrade their academic skills and strengthen their level of literacy. Our goal is to provide them with the basic disciplines they need to qualify for training for positions at our operations.

**Investing in Recruitment**

New employment is one of the key benefits that the Tasiast expansion is creating for Mauritania, and our goal is to fill most positions with Mauritanians with the appropriate experience, skills, and qualifications. We want to attract qualified Mauritanian nationals and new graduates, including those who may be studying or working outside of their country. To achieve this, we have:

- Built a strong recruitment team, representing the various ethnic groups of Mauritania;
- Sponsored a National Job Fair in early 2012, which offered employment seminars and workshops by representatives of Kinross and other private sector employers;
CASE STUDY 04: DEVELOPING A SKILLED WORKFORCE IN MAURITANIA (continued)

- Established information centres in Nouakchott and Nouadhibou, to provide information about job opportunities at Tasiast and facilitate online and in-person applications;
- Opened a dedicated Mauritanian recruitment website to promote and advertise our employment opportunities and provide online application capability; and
- Met with more than 150 Mauritanians living in Canada and explained our employment opportunities. Other roadshows are scheduled before the end of 2012 in other countries.

Ongoing initiatives also include:
- Providing targeted university graduates with their first work experience opportunity to increase their chances of getting permanent employment in the country;
- Offering co-op programs to university students, providing them with work experience and helping Kinross identify promising candidates;
- Exploring employment opportunities for families living near Tasiast; and
- Implementing targeted efforts to attract and recruit women, including radio advertising, female representation on our recruiting team, and culturally appropriate camp accommodations. The challenges of increasing the number of women in our workforce are great: of 65 students who took part in a recent electrical training program, only two were women, and only one graduated to continue in the electrical program.

DEVELOPING MINING PROFESSIONALS

In 2010, Kinross committed $10 million in funding over three years to assist the Government of Mauritania in establishing a new mining school that will build a pool of skilled in-country professionals and technical experts to support the future development of Mauritania’s mining industry. Other partners include Société Nationale Industrielle et Minière de Mauritanie (SNIM), Mauritanian Copper Mines (MCM), Ecole Polytechnique du Montreal, the World Bank, and the Government of Mauritania. To date, Kinross has contributed approximately $1.1 million towards development of curriculum and course materials, training for future professors, architectural designs for the new facilities, and management costs for the steering committee. In 2011, the first cohort of 25 students began to study in temporary facilities. At full capacity, the program is expected to graduate 50 engineers and 30 technicians annually.

President Mohamed Ould Abdel Aziz (left) meets with Tasiast staff at the Mauritania National Job Fair.
HIRING PRACTICES AT TASIAST

At Tasiast, we are working to ensure that our hiring processes are fair and transparent. This is vitally important because expectations for jobs are high and, often, applicants do not always understand the hiring process. For example, it is not uncommon for an applicant invited for a job interview to arrive with the impression that he has already been hired.

It is therefore imperative that we communicate that:

• Our consideration of all applicants is managed fairly and without bias;
• We make an objective assessment of each candidate on the strength of their qualifications, education, past experience and performance in the pre-employment interviews and technical, behavioural and medical tests; and
• Contractors hiring for fixed-term positions on our behalf adhere to the same principles.

For all jobs, Kinross is giving first priority to Mauritanians with the appropriate experience and qualifications. During the construction phase of the Tasiast expansion, most contract construction positions are being filled by Mauritanians, with non-Mauritanians recruited to meet shortages in technical and skilled jobs. For long-term operating positions, the Company has developed a Mauritanization Plan in co-operation with the government. Its objective is to progressively increase the number of Mauritanians employed in ongoing operations at the mine and processing plant through extensive training programs.
EMPLOYEE EDUCATION, TRAINING AND DEVELOPMENT

We provide a wide range of training, skills and career development opportunities that promote professional competency, personal growth and safety, culture-building initiatives and structured performance management evaluations.

The performance of Kinross senior management is evaluated, in part, on how well they attract, retain and develop talent in their respective teams and organizations.

**Developing our Leaders**

Executing successful leadership development programs is vital to motivating and retaining Kinross employees. In 2010, in response to input to our global employee survey, we introduced training that focuses on fostering leadership behaviours that are consistent with Kinross’ values. As part of this process, we created a set of leadership practices that provide guidelines to aid us in hiring, evaluating and developing leaders at Kinross.

We also advanced a new global curriculum to support the development of supervisor and management leadership. Learning modules include a leadership and supervisory skills core program, and online business management, personal leadership and language skills training. Curriculum development will continue through 2012.

In 2011, we formalized the on-boarding process specific to regional vice-presidents and general managers. Under this and other programs, we provided approximately 4,100 hours of leadership training at the corporate level in 2011.
## IN THE WORKPLACE

### OUR VALUES

<table>
<thead>
<tr>
<th>Leadership Practices</th>
<th>In Action</th>
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<tr>
<td><strong>PUTTING PEOPLE FIRST</strong></td>
<td>Health &amp; Safety Discipline</td>
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<tr>
<td></td>
<td>Respect</td>
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<tr>
<td></td>
<td>Coaching &amp; Developing People</td>
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<tr>
<td><strong>OUTSTANDING CORPORATE CITIZENSHIP</strong></td>
<td>Responsible Mining</td>
</tr>
<tr>
<td><strong>HIGH PERFORMANCE CULTURE</strong></td>
<td>Accountability</td>
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<td>Execution Excellence</td>
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<td></td>
<td>Teamwork &amp; Co-operation</td>
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<tr>
<td><strong>RIGOROUS FINANCIAL DISCIPLINE</strong></td>
<td>Bottom-Line Focus</td>
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<tr>
<td></td>
<td>Continuous Improvement</td>
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</tbody>
</table>

### LEADERSHIP PRACTICES IN ACTION

- **Health & Safety Discipline**: Created an environment where nothing is more important than every employee returning home safe and healthy every day.
- **Respect**: Created an environment in which people are unfailingly treated with respect.
- **Coaching & Developing People**: Fosters the talent and potential of all employees by enabling them to grow, develop and make a difference in the organization.
- **Responsible Mining**: Demonstrates that leadership in the areas of environmental performance and community and stakeholder relations is fundamental to the way we plan and manage our business.
- **Accountability**: Holds self and others accountable for the decisions, commitments, and behaviours required to deliver outstanding results.
- **Execution Excellence**: Uses judgment to manage business complexities, prioritize and balance conflicting demands to make timely decisions that best advance Kinross’ strategy.
- **Teamwork & Co-operation**: Builds and brings teams and people together to achieve organizational goals. Models humility by going beyond self-interest for the good of the group.
- **Bottom-Line Focus**: Understands the economic implications of decisions and consistently uses all resources effectively and efficiently to maximize shareholder value.
- **Continuous Improvement**: Relentlessly champions, develops and embeds best practices.
Training and Developing our People

We provide a variety of global training programs and site-specific initiatives, usually in partnership with local institutions. For example, we offer a leveling program for our local employees at our Fruta del Norte (FDN) project. This allows them to complete their basic education so they can pursue further skills training at technical institutions. In 2011, we had 62 employees enrolled in literacy and basic education programs. They will graduate in August 2012 with Grade 10 certificates from Ecuador’s Ministry of Education. An additional 71 employees, who are attending classes to refresh their knowledge, will receive certificates of achievement from Kinross. We have also implemented extensive training initiatives at our Tasiast operations. See Case Study 4: Developing a Skilled Workforce in Mauritania.

Our Kinross Connected intranet site also plays an important role as a platform for the Company’s organizational learning initiatives. Launched in 2010, it is accessible to employees across our global operations and development projects. As part of our Business Optimization program, employees can also access information about best practices.

We conduct mandatory safety and environmental training for each employee at all of our sites and risk competency training to continuously improve safety performance. Examples of safety and risk management training at certain of our sites can be found in the Health and Safety section of this report.
WORKPLACE DIVERSITY

With operations and development projects in eight countries, Kinross employs a diverse workforce.

Our Code of Business Conduct and Ethics provides us with rigorous guidance to ensure that our hiring and contract tendering processes are free from any form of discrimination.

While our goal is to hire the best employee for the job, local employment is an important objective, and the majority of our operations have established practices that encourage and promote the hiring of qualified local candidates. At the end of 2011, approximately 77% of our senior managers and 97% of our employees were local hires from the host community, region, state, province or country.

At the end of 2011, our Board of Directors was composed of one female and nine males. We employed 27 women at the Director level and above in 2011, and 23 women at the Director level and above in 2010.
COMPENSATION AND BENEFITS

Kinross’ compensation programs are designed to meet five basic principles:

Pay for performance: Employees are rewarded based on Company and individual performance;

Competitiveness: We provide a compensation package which is competitive in the local market and enables the Company to attract and retain top talent;

Consistency and fairness: Our global employees are treated in a fair and consistent manner, while recognizing and adapting to local laws, practices and circumstances;

Opportunity: Employees are able to improve their total compensation through their efforts and performance; and

Transparency and clarity: We clearly communicate the design and administration of compensation programs so employees can understand how their compensation is determined, and how they can affect it through their performance.

In each region, our aim is to achieve alignment between our global programs and local market practices. We regularly review local market compensation data to ensure we provide a total package that remains fair, competitive and well positioned to attract and retain the best talent, targeting total compensation around the 75th percentile.

For many employees, total compensation is also linked to performance, and may be above or below this target level, depending on individual and Company performance for the year. In 2011, we expanded our performance compensation review by integrating behavioural aspects of performance, including evaluation against Kinross’ four core values. The performance management system extends to the majority of management, technical, professional and administrative employees, representing approximately 20% of Kinross’ global workforce.

As we move into new markets, it is particularly important that we determine a compensation structure appropriate for the local market. In all our countries, salaries are reviewed annually, considering changes in the local labour market. In countries where less market data are available, other factors, such as cost of living and inflation may be considered. At our Fruta del Norte development project in Ecuador, due to the lack of mining industry data, we looked to general industry market data and peers in the oil and gas industry.
as a significant employer in a remote region, we evaluate our compensation levels against the living wage to ensure that the minimum rate we provide is at least equal to or above that level.

In 2011, Kinross provided total wages and benefits company-wide of $536.2 million, an increase from $391.4 million in 2010.

Senior executive compensation is closely linked to both personal and overall Company performance. In addition, a high percentage of total executive compensation through options and other equity grants is “at risk” and contingent on future Kinross share performance.

In 2011, in light of the Company’s disappointing shareholder returns, the Kinross Board of Directors reduced short-term incentive awards for each of the Company’s named executive officers by 50% or more compared with 2010, and reduced total direct compensation to each named executive officer by 20%. Former president and CEO Tye Burt requested that, in light of 2011 share price performance, he not be considered for any short-term incentive payment. The Board approved this request and, as a result, Mr. Burt received no cash bonus in 2012, reducing his total cash compensation by $2.6 million, or 64%, year-over-year. The Company outlines its executive compensation philosophy and a detailed breakdown of compensation for top executives in our 2012 Management Information Circular.

Our employee share purchase plan is available to regular Canadian and U.S. employees, as well as expatriates in our global employment organization who have completed six months of service. Employees can contribute up to 10% of their wages, with the Company matching up to 50% of each employee’s contribution. Under this plan, the Company issued approximately 304,000 shares in 2010 and 421,000 shares in 2011.

The Company also administers retirement plans that substantially cover all employees in North America and Brazil. Kinross does not currently have any active defined benefit plans in place.

Remuneration for full- and part-time employees usually includes access to extended health coverage, life insurance, disability insurance and other benefits aimed at protecting and enhancing employee health and well-being. We completed a review of our global benefits to formally assess the competitiveness of our programs in each of our regions in 2010 and 2011, and determined that they continued to meet our global standards.
CASE STUDY 05: GENERATION GOLD LEADERSHIP DEVELOPMENT PROGRAM

THE ISSUE: In a world where demand for mining professionals is high, and supply is low, companies compete on a global basis for talent. How can a company increase its competitive edge for attracting the best talent among new graduates in engineering and other mining related disciplines, while also “fast-tracking” the development of high potential employees?

THE KINROSS WAY

Kinross has taken a multi-pronged approach to meeting its recruitment challenge, including development of an employment brand centred on our values and the Kinross Way, enhancing our relationships with key universities and creating and leveraging local job skills development programs.

A key strategy both for recruiting and leadership development is our successful Generation Gold program, which gives top-calibre new and recent university graduates four years of cross-functional experience throughout Kinross’ operations, projects and corporate functions around the globe. Each participant’s experience is individually tailored to expose them to critical areas of our business. The inaugural group of participants (from 2007) graduated in 2011 and all of the cohort have transitioned into full-time positions at Kinross. Based on the success of the program, we have expanded it to include participants at the regional level.

Gillian Gardhouse’s experience is typical of that provided by the program. She began her Generation Gold experience at Round Mountain in Nevada, learning about the practical side of the mining process after graduating with a Bachelor of Science in Geological Engineering at Queen’s University. In her second rotation, Gillian transferred to the La Coipa mine in northern Chile. Stationed at an elevation of about 4,000 metres, Gillian was able to gain valuable experience in a different environment and mine, working with the small geology team to update the geological model of the deposit and generate three-dimensional models. She also began learning Spanish, which she honed at her next rotation at the Fruta del Norte project in southeastern Ecuador.

There she was able to expand her skill set, working on an underground development project rather than an operating mine. Gillian’s last rotation was the Chirano mine in Ghana. She worked with the geotechnical engineering team to ensure all tunnels are safe and properly supported in the underground mines. After four years of diverse and unique work experiences, Gillian has been able to build her mining knowledge, learn a new language and experience different cultures through the Generation Gold program. Gillian recently assumed a full-time position with Kinross’ Technical Services group.
ENGAGING OUR EMPLOYEES

We recognize that an engaged workforce contributes to our success.

In 2011, we conducted our fourth biennial global employment survey, a key vehicle for gathering employee feedback and helping us understand the level of employee engagement across the Company. More than 5,000 Kinross employees – 78% of our people – responded, an increase over the 74% response rate to our 2009 survey. Employee satisfaction was 78% for 2011, consistent with the 79% satisfaction level achieved in 2009.

Our 2011 survey results told us that globally, the top three drivers of employee engagement at Kinross are our values, performance management, and talent management/employee development. They also illustrated that we need to reinforce and strengthen our focus on health and safety. The survey results inform action plans which have subsequently been developed at our sites and regions to address areas that need improvement.

Living Our Value Awards
The Kinross Living Our Values Awards (LOVA) honour employees who best exemplify commitment to our four values: putting people first; outstanding corporate citizenship; high performance culture; and rigorous financial discipline. The awards have been embraced enthusiastically by employees across our global operations who want to acknowledge their colleagues’ achievements and have them recognized across the Company. More than 1,700 nominations were received in 2011 from every site and office worldwide, up from 800 in 2010, and 200 in 2009. The LOVA program continues to evolve with over 2,600 nominations received in 2012.

Living Our Values Awards winners travel to Toronto to share their inspiring stories and unique experiences, and to discuss why our values are important to them and our Company. Their trip to Toronto is capped off by an awards dinner hosted by our CEO.

2011 EMPLOYEE SURVEY HIGHLIGHTS

The 2011 employee engagement survey measures and defines more than simply an employee’s level of satisfaction with the organization; it also evaluates and measures an employee’s personal level of commitment. Strengths and opportunities identified in the results include:

(indicates percent surveyed who agree with statement)

85% I believe Kinross Gold is an environmentally responsible company
81% I am proud to be a part of Kinross Gold
81% Employees here are held accountable for their work
80% Kinross Gold provides adequate safety training
77% My objectives/goals are clearly aligned with my department and/or operation
76% Kinross Gold demonstrates values and principles that I respect
75% Safety rules are carefully observed even if it means work is stopped
67% My supervisor acknowledges and rewards safe behavior
66% I believe I have the opportunity for personal development and growth in this company

Winners of the Living Our Values Awards in 2010 (top) and 2011.
**HUMAN RIGHTS**

Kinross’ commitment to respecting human rights is implemented in numerous ways. Our framework for human rights consists of:

- Our commitment to the UN Global Compact;
- Our commitment to support and respect the protection of human rights in the workplace and the community, in accordance with the Universal Declaration of Human Rights;
- Our commitment to implement the Voluntary Principles for Security and Human Rights;
- Kinross Code of Business Conduct and Ethics; and
- Our internal practices and procedures, such as our EHS and labour policies, community relations practices, and our project permitting/consultation practices.

In 2012, we are strengthening our policies relative to human rights in the following ways:

- Implementing the Supplier Standards of Conduct in our supply chain;
- Providing refresher training to reinforce anti-corruption policies in all regions;
- Adding appropriate language in the update of our Code of Business Conduct and Ethics;
- Developing group-wide labour standards in areas that our operations must meet regardless of jurisdiction, such as consistency with international labour standards;
- Incorporating human rights assessments into written guidance that outlines the Kinross approach for permitting; and
- Developing environmental strategies that recognize the human rights implications of our management systems.

We conduct all of our activities in accordance with accepted standards in the protection and promotion of human rights. We respect the cultural and historical perspectives and rights of those affected by our operations, in particular indigenous peoples.

**KINROSS TEN Guiding Principles For Corporate Responsibility, 2007**
Assessing Our Policy Framework

In 2011, the United Nations adopted the Guiding Principles for Business and Human Rights (GPBHR), based on the “Protect-Respect-Remedy” framework articulated by John Ruggie. The GPBHR help clarify the expectations for companies to identify and, where necessary, take steps to prevent or mitigate potential human rights abuses that may be linked to their operations. Kinross is using these principles to help identify priorities based upon the nature of our operations, the context of the host countries where we operate, and the list of human rights as defined by the Universal Declaration of Human Rights, International Labour Organization Core Conventions, Convention on Economic Social and Cultural Rights, and Convention on Civil and Political Rights. The key topics and the corresponding Kinross policies that govern our conduct in these areas are shown in the matrix below.

<table>
<thead>
<tr>
<th>Rights Topics</th>
<th>Potential Areas of Risk*</th>
<th>Applicable Kinross Policies/Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace rights</td>
<td>As with any multinational company, respect for workers’ rights is an important focus in all jurisdictions. This includes workplace standards for our contractors. Through our participation in the UN Global Compact, Kinross is committed to promoting the core International Labour Standards (ILO).</td>
<td>Code of Business Conduct and Ethics; Supplier Standards of Conduct; Health and Safety Policy and Standards</td>
</tr>
<tr>
<td>Non-discrimination</td>
<td>Working in multiple cultures requires a strict commitment to building a Kinross culture of non-discrimination.</td>
<td>Code of Business Conduct and Ethics; Supplier Standards of Conduct</td>
</tr>
<tr>
<td>Human trafficking, coerced labour, and child labour</td>
<td>According to the UPR*, these practices exist in some of our host countries. Company policies ensure this does not occur at our operations, and our Supplier Standards of Conduct are designed to address the potential for these practices in our supply chain.</td>
<td>Supplier Standards of Conduct; Code of Business Conduct and Ethics</td>
</tr>
<tr>
<td>Clean water, clean environment, health</td>
<td>Kinross implements world-class practices for environmental management in order to minimize our impact on host community natural resources. Community engagement plays an important role in keeping the public well-informed regarding the Company’s management of environmental impacts, addressing any real or perceived areas of concern, and supporting community health initiatives.</td>
<td>Supplier Standards of Conduct; Environmental Policy and Standards; Site Responsibility Plans</td>
</tr>
<tr>
<td>Arbitrary arrest, torture</td>
<td>According to the UPR framework, the actions of public security forces in some host countries sometimes deviate from accepted norms. Diligence is required to ensure security programs at our operations, whether public or private, are conducted in a way that respects human rights, consistent with the Voluntary Principles on Security and Human Rights (VPSHR).</td>
<td>Human Rights Adherence and Verification Program</td>
</tr>
<tr>
<td>Corruption</td>
<td>Corruption may compromise the proper control functions of government officials or regulators, or prevent host communities from receiving value generated by mining. The UPR* cites corruption in areas such as judiciary, police, and general bureaucracy in some host countries. Kinross has a zero-tolerance policy for bribery and is part of the Extractive Industries Transparency Initiative (EITI).</td>
<td>Code of Business Conduct and Ethics; Supplier Standards of Conduct; Foreign Officials Payment Protocol</td>
</tr>
<tr>
<td>Indigenous peoples</td>
<td>In some areas, indigenous peoples have been historically disadvantaged and often still experience discrimination and other forms of political and social disadvantage that hinder their self-determination. When undertaken responsibly and in consultation, in accordance with the Company’s guidelines for indigenous relations, mining can be a strong source of positive benefits for indigenous communities.</td>
<td>Environmental Policy and Standards; Site Responsibility Plans</td>
</tr>
<tr>
<td>Life, Liberty, Security of Person</td>
<td>Host communities often have strong negative perceptions and fears that mining will impact their lives, and those of their children. Kinross strives for transparency and strong community engagement during project permitting and throughout the mine life.</td>
<td>Environmental Policy and Standards; Site Responsibility Plans</td>
</tr>
</tbody>
</table>

* UPR – Universal Periodic Review conducted by the UN High Commissioner on Human Rights
Labour Rights

Kinross’ commitment to support employee representation and collective bargaining is manifest in our commitment as a participant in the UN Global Compact, and commitment to adhere to the ILO Core Labour Standards. In 2011, Kinross developed Supplier Conduct Guidelines articulating our expectations for supplier conduct with respect to labour standards in accordance with the principles of the UN Global Compact.

We uphold the principle of freedom of association, meaning our employees have the right to choose whether they want to belong to a union. At year-end 2011, 45% of our workforce was represented by a trade union or collective bargaining agreements. Employees at Paracatu, La Coipa, Maricunga, Chirano and Tasiast are unionized. The employees at FDN in Ecuador are represented by an employee association. Employees in Russia were non-unionized during 2011; however, an effort is underway to organize a union at Kupol. Kinross’ employees in the United States and Canada are non-unionized.

In Chile, La Coipa’s two collective agreements were both successfully negotiated before expiration over the course of 2010 and 2011, and will extend until July 31, 2014. Maricunga has three collective agreements in place, two of which expire on February 28, 2014 (relating to operations employees) and one of which expires on December 31, 2012 (relating to supervisory employees). Paracatu, Brazil recently negotiated a collective agreement, which expires January 31, 2014. At Chirano, a collective agreement was successfully renegotiated in 2012. In 2012, the Company was in the process of negotiating its first collective agreement with unions at its Tasiast operation in Mauritania.

Kinross has not experienced restructurings and layoffs during the reporting period. Given the diversity of our operations, procedures regarding notice of change of operations are handled at each operation according to the applicable legal requirements in that jurisdiction.
Kinross is making a major investment in the development of human capital in Mauritania through education, job creation and economic development. We will be creating hundreds of additional new jobs as our expansion process continues. As described in our Case Study 4: Developing a Skilled Workforce in Mauritania, we are investing heavily in developing a new generation of skilled Mauritanian employees.

Respect for human rights is core to how we work, and we take strong measures to ensure they are upheld wherever we operate – particularly in any jurisdictions where there may be concerns about violations. At Tasiast, as is the case across the Company, we hire employees irrespective of gender or ethnic origin, and adhere to the Kinross Code of Business Conduct and Ethics with respect to human rights and equal opportunity.

In Mauritania, we review all subcontractor contracts to ensure they contain proper reference to any Mauritanian legal and regulatory requirements, and, in particular, the Labour Code and any related labour or human rights legislation; the Kinross Code of Conduct and Business Ethics; Tasiast standards regarding main camp and subcontractor camp Hygiene, Health and Safety; and Tasiast Internal Rules and People Management Practices.

We have also initiated the creation of a “Subcontractor Compliance Bureau” with a mandate to track, control, and audit contractor compliance with these aforementioned obligations. In addition to these internal safeguards, the union leaders and union representatives on site (active within the Tasiast workforce as well as within the subcontractors’ community and at subcontractors’ camps), as well as the Inspector of Labour now permanently based at the mine and site, have as part of their respective mandate, to monitor the labour and social life on site and to deal – along with management – with any worker grievance and claim. At Tasiast, the union delegates are democratically elected by the entire worker population, which is ethnically and demographically diversified.
SECURITY AND HUMAN RIGHTS

Kinross supports the Voluntary Principles on Security and Human Rights.

In 2010, Kinross’ Human Rights Adherence and Verification Program (HRA & VP) was implemented at all operating sites. The program aligns directly with Kinross’ Ten Guiding Principles for Corporate Responsibility, the objectives of the United Nations Human Rights Council and the Voluntary Principles on Security and Human Rights.

HRA & VP training helps ensure that all security personnel, as well as key site management, understand and are consistently compliant with the Voluntary Principles. It provides guidance to each location, requiring robust systems for allegation reporting and verification, investigation and resolution, monitoring of investigations conducted by public officials, and other essential elements of security oversight.

Training is conducted on an annual basis. The training is required for all private security personnel, Kinross management teams, and representatives of various public security agencies. Public security forces are invited and encouraged to attend.

The training, which is repeated annually, provides guidance in such areas as use of force, reporting incidents, and fostering a well-developed community-security relationship. In 2011, 435 security people were trained, representing almost 60% of Kinross’ security personnel and approximately 1,305 training hours.

Kinross also monitors the human rights records of security providers used by the Company. Monitoring includes information gathered through various international, regional and local agencies. All Kinross agreements with public security forces now include the respect of human rights as a major component.
Health and safety

OUR COMMITMENT

Taking care of health and safety is the most important part of everything we do at Kinross. Our health and safety practices are rooted in our value of “putting people first”, and our commitment is to ensure that health and safety are consistently top priorities at all of our sites. We meet that pledge through our health and safety policy framework, regular and comprehensive training, and the targets and performance standards we have established through our Corporate Responsibility Management System (CRMS). Oversight rests with the Corporate Responsibility Committee of the Board of Directors.

Kinross believes that the overall performance of a mine is generally reflected in its safety record. Working safely reflects a well-run operation and a skilled and dedicated team making the right decisions. In 2010 and 2011, we reinforced our commitment to health and safety through a number of measures:

• Appointed a Vice-President Health and Safety, a new position that reports directly to the President and Chief Operating Officer;
• Became a member of the Mining Safety Roundtable, a group of senior health and safety professionals from several of the world’s leading mining companies who collaborate to strengthen safety practices and policies within the industry; and
• Further integrated health and safety as part of Kinross’ CRMS.

Coincident with the publication of this 2011 report, Kinross approved a new Health and Safety Policy. Our updated policy makes clear that responsibility for safety rests with every employee and every contractor. With the exception of Round Mountain, all our sites have worker-management health and safety committees that champion on-the-ground best practice. Round Mountain is implementing its committee in 2012.

At the regional level, a recently formed team made up of senior health and safety representatives meets semi-annually to share best practices and discuss the implementation of corporate policy, systems and standards within a local regulatory and cultural context.

JUSTICE, Senior Electrical Supervisor, Ghana
KINROSS HEALTH AND SAFETY POLICY

At Kinross, putting people first is a core value. Health and safety are our No. 1 priorities. Concerning health and safety Kinross will:

• Ensure that systems exist to prevent harm to our people, processes and property;

• Hold every employee and contractor, in all aspects of Kinross’ business life cycle, accountable for performing their work in a safe manner and complying with Kinross’ Health and Safety Standards;

• Meet or exceed applicable legal and regulatory requirements wherever we operate; and

• Operate our business in a manner which empowers and holds accountable regions and sites to implement, maintain and continuously improve their health and safety systems.

The complete Health and Safety Policy is available on kinross.com.
PERFORMANCE AND GOALS

Health and safety performance highlights in 2010 and 2011 include the following:

• Experienced a fatality at our Kupol operation in 2010 and another at Fort Knox in 2011. Early in 2012, a worker at our Chirano facility in Ghana also suffered fatal injuries;

• Awarded the Dvoinoye expansion project with the Kinross Safety Award. Dvoinoye was one of four sites to achieve a Total Medical Injury Frequency Rate (TMIFR) of 0.00, a significant improvement over 1.67 in 2010. Lobo-Marte, Cerro Casale and South America Exploration achieved a full year without an injury requiring medical treatment. Kupol was the best-performing operating site, achieving two million hours without an LTI in 2011 and greatly reducing both its TMIFR and injury severity rate year-over-year;

• In 2010, Round Mountain worked the entire year – more than 1.4 million hours – without an LTI. In 2010, Fort Knox had worked more than four consecutive years, and more than four million hours, without an LTI;

• In 2011, Kinross’ La Coipa site received the prestigious John T. Ryan Safety Award for excellence in safety performance from the Chilean Institute of Mining Engineers. The mine also received the Atacama Regional Committee of Safe Mining Award for being one of the safest mines in the region, achieving 3.8 million hours without an LTI;

• In 2010, Kinross’ Chirano mine received the National Safety and First Aid Competition Award;

• Achieved two million hours worked without a LTI during 2010 at La Coipa and completed the year with no LTI or medical treatment injuries. La Coipa received the Kinross Safety Award for 2010;

• In 2011, conducted Company-wide external audit of sites (in addition to our regular biennial CR audits) to identify gaps in safety and implemented appropriate follow-up measures, with encouraging improvements in safety performance reported in early 2012;

• Launched training in safety causal analysis at Kinross sites;

• Conducted integrated EHS audits for Kinross operations and growth projects in Chile, Crixás and the DeLamar reclamation site;

• Completed implementation of Awareness and Preparedness (APELL) at Paracatu in 2011;

• Established the role of Global Aviation Manager to provide oversight of all safety and security aspects of air travel by Kinross personnel, and developed a corporate Aviation Standard to provide appropriate guidance and review by aviation experts to support procuring air services;

• Undertook a workforce baseline health risk assessment at Tasiast, with the results informing the development of a new medical clinic at the site;

• Reduced the incidence rate of malaria cases in Chirano’s workforce by 81% and reduced the incidence rate of malaria in beneficiary communities by 53%. See Case Study 6: The Chirano Malaria Control Program; and

• Initiated International SOS partnerships at Kupol and Tasiast to provide health and medical services at Kupol and Tasiast.

SIX-YEAR SAFETY PERFORMANCE (INCIDENT RATE) ¹
(includes all employees and contractors)

<table>
<thead>
<tr>
<th>Year</th>
<th>Lost-Time Injury Frequency Rate</th>
<th>Medical Treatment Case Frequency Rate</th>
<th>Restricted Work Activity Frequency Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>06</td>
<td>.66</td>
<td>.43</td>
<td>.45</td>
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<tr>
<td>07</td>
<td>.64</td>
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</tr>
<tr>
<td>11</td>
<td>.18</td>
<td>.29</td>
<td>.18</td>
</tr>
</tbody>
</table>

¹ Includes Crixás
### PRACTICES

#### FOCUS ON TRAINING

Training for our employees and contractors is a critical component of safety performance.

Mandatory safety training is conducted at all of our sites, including exploration projects, based on Kinross’ management standards and policies and in line with local regulations. An estimated 125,000 hours of safety training was delivered to employees and contractors at Kinross sites in 2011.

In conjunction with training required by the regulations in each host country, we have developed corporate training programs in areas we have identified need improvement. For example, our Chirano mine became the fifth site to complete the Kinross Electrical Safety in the Workplace training program, with 29 staff electricians completing the extensive curriculum. Our Fort Knox, Kettle River-Buckhorn, Round Mountain and Paracatu sites have also completed the program.

At Kupol, after completing a risk hazard identification program in 2010, we implemented a health and safety/ risk management training program for all employees. It focuses on the need to plan ahead, identify unsafe behaviours and conditions, and ensure that all colleagues are working safely.

At Tasiast, we’ve developed a supervisors’ training program. The health and safety component was rolled out early in 2012, with the four-day program provided to heads of department, superintendents and supervisors at the site. Topics covered included risk assessments, accident investigations and task observation. Rollout will continue in 2012 and will be expanded to include management and supervisors at our Chirano operation. For more information on our training initiatives at Tasiast, see Case Study 4: Developing a Skilled Workforce in Mauritania.

#### Learning from Experience

At Kinross, management undergoes an exhaustive root cause analysis to determine causes of accidents and near accidents to prevent them from happening in the future. By asking three main questions – 1) what happened? 2) why did it happen? 3) how can we prevent it from happening in the future? – we can prevent future incidents, protect employees, and contribute to the continuous improvement of our operations.

### 2012 GOALS

- Drive for improvements in health and safety performance on an annual basis. For 2012, we have established a target for the maximum total recordable incident frequency rate of 0.9 and an incident severity rate of 8.6 (both based on 200,000 work hours) across the organization. Targets have also been set at a regional and site level as part of the strategic business planning process.

- Recruit and establish new leadership positions for health and safety at the regional and site levels.

- Move toward an All Injury Frequency Rate for Kinross, which includes lost-time injuries, restricted work injuries, medical treatment injuries and first aid injuries.

- Improve the rigour of Kinross’ leading indicators for safety to facilitate more targeted and proactive health and safety management plans.

- Update corporate safety standards for managing high hazard activities such as working in confined spaces, working at heights, and energy isolation.

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#### COMMUNITY ROAD SAFETY CAMPAIGN

In partnership with the Ministry of Transportation and the local police service, Kinross in Ecuador sponsored a road safety campaign in 2011, which featured prominent signage on the main road near our Fruta del Norte project. A road safety radio campaign is planned for 2012.
A GLOBAL TIME OUT FOR SAFETY

In April 2011, all Kinross employees and contractors at every operation, project site and office stopped work and took time to reflect on our safety performance. After observing an increase in Company-wide injury rates in the first quarter of 2011, our Global Time Out for Safety was initiated to reinforce safety as a fundamental value across the Company and to refocus efforts to improve safety performance. Kinross leaders shared the key requirements needed from employees to ensure that safety is the top priority and challenged workers to evaluate their personal behaviours and identify opportunities for improvement. The event generated a list of focus areas that all employees felt were important, including:

- Analyzing, planning and controlling risks;
- Identifying, reporting and acting on near misses;
- Using proper safety equipment;
- Eliminating a risk-tolerant mindset, and building a safety-oriented mining culture;
- Establishing good habits and best practices for new employees during hiring;
- Empowering employees to have the confidence to recognize unsafe acts and take appropriate action, and to communicate with colleagues when carrying out tasks that require assistance; and
- Taking ownership and accountability, ensuring the right people are equipped with the appropriate tools to maintain safety standards.

Following the global event, the result was a consistent improvement in incident rates quarter-over-quarter at our West African sites for the remainder of the year, with an aggregate reduction in incident rates of approximately 50%.

2011 REGIONAL¹ TOTAL MEDICAL INJURY FREQUENCY RATE (QUARTER BY QUARTER)

<table>
<thead>
<tr>
<th>Region</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1.82</td>
<td>1.59</td>
<td>1.06</td>
<td>0.89</td>
</tr>
<tr>
<td>North America</td>
<td>0.62</td>
<td>1.24</td>
<td>1.45</td>
<td>1.24</td>
</tr>
<tr>
<td>Russia</td>
<td>0.43</td>
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<tr>
<td>South America</td>
<td>0.83</td>
<td>0.51</td>
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<tr>
<td>Kinross Overall</td>
<td>1.10</td>
<td>0.93</td>
<td>0.92</td>
<td>0.86</td>
</tr>
</tbody>
</table>

¹ Excludes Crixás
CASE STUDY 06: THE CHIRANO MALARIA CONTROL PROGRAM

THE ISSUE: For companies operating in developing countries, diseases such as malaria, tuberculosis and AIDS can affect the health and well-being of host communities, including their own employees. What role can companies play to support or augment existing government health care programs to help reduce the impact of disease?

THE KINROSS WAY

Consistent with our core value “Putting people first”, Kinross implements occupational health and industrial hygiene programs at its operations to ensure the health and safety of employees who may be exposed to health hazards in the workplace. Where employees are exposed to significant health hazards outside the workplace, such as in areas with high prevalence of endemic diseases, we take a broader approach.

We are fortunate that the majority of our mines operate in regions that are at low risk from endemic diseases. One exception is our Chirano operation in Ghana, where malaria is a leading cause of disease and death among children and pregnant women. Despite the fact that the disease is both preventable and treatable, malaria accounts for 33% of all deaths in children five years of age and under and is the leading cause of absenteeism at both the workplace and schools. At Chirano, malaria accounted for approximately 62% of annual outpatient visits at the Chirano mine’s clinic. Malaria was also the primary cause of employee absenteeism at our operations with 3,887 episodes among the workforce in 2008.

Since 2009, Chirano has invested $5.6 million in an integrated malaria control program, with $3.5 million to finance infrastructure and $0.7 million in annual operating costs.

The Chirano Malaria Control Program (CMCP) covers the mine site and the nearby 13 communities in the Bibiani-Anhwiasso-Bekwai and the Sefwi Wiawso districts. The CMCP is managed by Vector Control Consult Ltd. in partnership with the Noguchi Memorial Institute of Medical Research, the district assemblies and district health management teams of Sefwi Wiawso and Bibiani-Anhwiasso-Bekwai, the Ghana Education Service, and the National Malaria Control Program.

The CMCP is based on an integrated vector management approach (IVM), designed to:

- Keep areas mosquito-free, through indoor residual spraying, targeted larviciding, breeding habitat reduction, and the use of insecticide-treated mosquito nets;
- Improve disease diagnosis, management and prevention, through education, enhanced services at its health clinics, and the provision of preventive therapies; and
- Undertake scientific and social research aimed at prevention and elimination of local disease transmission within the catchment area. To support our research, we built a small research facility dedicated to malaria control research, the only one of its kind in Western Ghana. The CMCP is based on a sound scientific understanding of the behaviour of local malaria vectors, the forces of transmission and the susceptibility to available recommended and safe insecticides. Evidence-oriented decision-making in implementation underpins the success of the program.

At the end of 2011, the program was successful in reaching its Phase 1 target of reducing the workforce malaria incidence rate by 75%: the data show a 81% reduction in the incidence rate of malaria in the workforce, and a 53% reduction in the incidence rate in the beneficiary communities. The CMCP covers about 13,700 people, including around 2,250 children under five years of age and (on average) about 200 to 250 pregnant women. Indoor residual spraying (in which indoor walls made from porous materials
such as mud or wood are sprayed with an insecticide that kills or repels mosquitoes) was conducted in 9,770 structures in the communities, covering 88% of all structures in the villages.

The success of the Kinross Chirano model has contributed to the development of standards for malaria control in Ghana by the Ghana Health Services (GHS), through the National Malaria Control Program (NMCP). The Chirano Malaria Control Program is represented on the Malaria Vector Control oversight committee of the NMCP of GHS.

The challenge for Kinross going forward is to develop the collaborative partnerships – with governments, NGOs and private-sector investors – that can sustain the existing program and, ultimately, expand its coverage beyond the current beneficiary communities.

HEALTH AND WELLNESS

Kinross has developed a comprehensive set of standards and guidelines to assist our operations in minimizing potential occupational health risks at our mines.

We provide training, instructions, procedures and protective equipment to address such issues as hearing and respiratory protection, thermal stress, industrial hygiene, ergonomics and occupational health. We regularly monitor our employees and contractors for exposure to occupational health hazards.

Each of our sites is required to conduct regular risk assessments of potential health issues. When issues are identified, formal occupational health and industrial hygiene programs are developed and implemented. For example, we provide basic testing for tuberculosis at our Chirano, Tasiast and Fruta del Norte sites, which are located in regions where tuberculosis is endemic. At Chirano, we provide malaria prevention and treatment services to our employees and the community. For more information, see Case Study 6: The Chirano Malaria Control Program.
EPIDEMIOLOGICAL TESTING AT PARACATU

While Kinross has consistently operated within regulatory limits for both air and water quality at Paracatu, the Company has been proactive in working with independent research groups to address concerns among some members of the local community about potential health risks associated with mining activity.

One particular concern is associated with the dust generated in the mine pit area, given that arsenic is a naturally occurring constituent in the Paracatu orebody. To address these concerns, Kinross commissioned a series of studies, including an epidemiological study of diseases in Paracatu and neighbouring cities, an environmental risk assessment, and a toxicological assessment, to investigate any potential impact on our employees and the community.

Comprehensive environmental and human health monitoring programs have been designed and implemented, and food, water, air, and soil samples collected and analyzed to carry out a thorough human health risk assessment. The studies were undertaken by researchers from federal universities in Brazil, the Center for Epidemiologic and Environmental Studies of Minas Gerais, the National Institute of Science and Technology on Minerals Resources, Water and Biodiversity, and world-renowned experts from the University of Queensland, Australia. Kinross is also co-operating with the municipality, which is conducting an independent Health Risk Assessment that is expected to be completed in January 2013.

All of the work completed to date confirms there is no increase in community health risk from arsenic due to Kinross mining activities. Community stakeholders have been involved throughout the process through regular meetings, and by involving local residents in the monitoring and data collection programs. Some of these scientific studies are being published in the proceedings of the 4th International Congress on Arsenic in the Environment (July 2012), and a communication and engagement program is ongoing at the site to present the results and conclusions to Kinross employees and contractors and the local community.

To ensure safe working conditions across our global operations, regular testing of workplace air quality is supported by biological monitoring campaigns for workers with duties that potentially increase their risk of exposure to workplace contaminants. Operations set thresholds for contaminants of interest that are much lower than the basic international standards in order to take precautionary actions to protect workers’ health. For example, in 2011, two contract workers in the independently operated assay lab at Tasiast exceeded this conservative early warning for blood levels of lead but did not exceed the applicable international standard. In fact, all workers at the Tasiast assay lab have consistently tested within internationally accepted safe limits for blood lead levels. As a precaution, the affected workers were temporarily removed from the area of potential exposure and re-assigned to other duties while they and their colleagues were re-tested. Three doctors have independently confirmed that the results for all employees are within safe levels and that no laboratory employees are at risk. Since that time, Tasiast has commissioned a new assay laboratory equipped with state-of-the-art workplace ventilation.

In addition to these programs, our operations at Kupol, Tasiast and Fruta del Norte are supported through memberships with International SOS, which helps us manage health care through guidance, programming and staffing. In 2011, International SOS undertook a baseline health risk assessment at Tasiast. The results provided input into our pre-access medical assessments for employees and informed the development of a new medical clinic. The new facility
dramatically increases the level of health care at the site and provides acute medical care for members of the local nomadic community.

We provide emergency medical assistance (including evacuation) to out-of-country employees and contractors in remote locations and, in 2010, we implemented a fatigue management standard to address on-the-job fatigue that can occur in high-altitude locations or result from shift work.

Our employee assistance program offers a full range of counselling services regarding emotional well-being, family issues, addiction and recovery, financial planning and retirement. This program is available to our North American and expatriate employees at no cost.

Early in 2010, we began the implementation of a wellness program to raise awareness of, and advocate for, the importance of good nutrition and exercise. In addition to making this and other health and wellness information available at our mining operations, most of our sites offer a range of wellness programs that are specific to their unique needs and priorities.

In 2011, our U.S. employees were offered several wellness tools to help them reap healthy living rewards. In conjunction with their Consumer Driven Health Plan and Health Savings Accounts, a U.S. employee receives incentive points by participating in wellness-related activities. For example, early in 2012, employees were able to earn incentive points if they ate a healthy breakfast every morning for one month. A second challenge motivated employees to switch from caffeinated drinks to water. When a specific number of incentive points are accumulated, the employee receives a reduction on health premiums for the next year.
EMERGENCY RESPONSE

All Kinross operations are required to have formal emergency plans in place for all potential emergencies, including hazardous chemical spills and exposures.

In addition, all of our sites evaluate emergency preparedness as part of their compliance with the Cyanide Code. Four sites (Round Mountain, Kettle River-Buckhorn, our DeLamar reclamation site and Paracatu) have proceeded with implementation of the Awareness and Preparedness for Emergencies at the Local Level (APELL) program, which involves co-ordinating our emergency response planning with a local community’s emergency response capabilities and plans.

Hazardous Waste Operations and Emergency Response training and certifications are updated annually. Each site must have a properly trained rescue team that works with local response personnel to ensure mutual capability to respond to an emergency situation. Procedures are tested and reinforced regularly through simulation exercises. Emergency response is part of Kinross’ Corporate Responsibility audit protocol, under which sites are audited on a biennial basis.

Sites are also required to have local crisis management plans, which are reviewed and updated on an annual basis. In 2011, we rolled out a comprehensive crisis management system. The system helps Kinross ensure a rapid, consistent and professional response to managing crises and includes a secure, real-time management platform that allows simultaneous communication among crisis management responders at the corporate, regional and site level for the duration of an emergency. To complement the system, Company-wide training began in 2011 at our corporate office. Training at all other sites will be completed in 2012.

Paracatu’s fire brigade participates with the Civil Defense, which co-ordinates the APELL Program in the Paracatu region, to fight brush fires during the dry season. The 155-strong Kinross brigade was mobilized to fight more than 20 fires in each of 2010 and 2011. The brigade celebrates 25 years of service in 2012.

ON TARGET WITH SAFETY

Kinross has established Company-wide metrics to help us predict potentially unsafe situations and behaviours so we can make corrections before they lead to an incident. These leading indicators measure activities that proactively manage health and safety, such as performance against a site’s plan for safety meetings, near miss* investigations, workplace inspections, and task observations and training hours. Keeping track of leading indicators helps us understand how we are doing compared to our health and safety commitments, so we can correct any deficiencies before problems arise.

* A near miss, or near hit, is an event that under slightly different circumstances could have resulted in injury or property damage. By reporting and investigating near misses, the root cause can be identified and similar incidents prevented at all of our sites.
In the community

OUR COMMITMENT

At Kinross, we believe that responsible mining can generate sustainable value in host countries and host communities. We strive to minimize the negative impacts of our operations, maximize the positive economic and social benefits of our presence in the community, and improve the overall quality of people’s lives in a manner that is sustainable beyond the life of the mine.

Kinross’ Ten Guiding Principles for Corporate Responsibility define specific commitments that apply at all our operations and development projects. Community-related commitments are operationalized through our Site Responsibility Plans (SRPs) which provide a framework for planning and implementing stakeholder engagement strategies that support our community relationships. Through active engagement and dialogue, our goal is to keep our neighbours informed about our activities, and provide them with opportunities to raise issues of interest or express their concerns. We seek at all times to respond to those concerns with promptness and clarity.

By engaging with stakeholders, we identify strategic areas where our operations can support long-term community development. We provide assistance for hundreds of initiatives, with the aim of working with local partners to address real needs and provide funding where the impact will be greatest. The SRPs help us quantify the “benefit footprint” of these initiatives, both in the near term – through job creation and local supplier contracts – and the long term – through programs that help build local business, support education and foster economic sustainability.

Achieving these benefits requires engagement, partnership, and co-ordination between ourselves and our partners in the private sector, governments, and civil society and stakeholders in our host communities.

GILLIAN, Geotechnical Engineer (Generation Gold Program), Ghana
PERFORMANCE AND GOALS

Performance highlights in 2010 and 2011 include the following:

• Introduced SRPs as the corporate standard for a consistent community responsibility approach across Kinross operations. See overview of SRPs in Managing Corporate Responsibility;

• Integrated our West African operations at Tasiast and Chirano into our CRMS;

• Advanced the development and implementation of community responsibility strategies at each site;

• Measured baseline conditions in each community in order to monitor ongoing results from implementation of the SRPs;

• Advanced specific stakeholder engagement initiatives at various sites, as outlined in regional summaries in this report;

• Identified new opportunities for engagement arising from SRP implementation; and

• Supported a wide range of community development and capacity-building programs and partnerships, detailed throughout this report.

2012 GOALS

• Continue integration of the SRP into business processes by conducting periodic SRP audits and by developing and implementing a performance measurement and reporting framework for the SRPs.

• Foster local procurement where possible by integrating the SRPs into the strategic business planning process for each site.

• Continue to develop the skills and knowledge of Kinross staff through CR training.

• Deliver SRP guidance and training for Kinross’ Exploration group.
ENGAGING OUR STAKEHOLDERS

Engaging host governments and public stakeholders in a meaningful way is a key pillar of Kinross’ approach to corporate responsibility. Our Ten Guiding Principles for Corporate Responsibility require that our operations promote dialogue and engagement with stakeholders in the communities where we operate, in a spirit of transparency and good faith.

In 2010, Kinross incorporated stakeholder engagement as a core aspect of our SRPs. Designed to promote consistency, the key elements for engagement – stakeholder identification and mapping, an engagement and consultation plan, and tools for monitoring and measuring progress – are now in place at all of our sites. As a cornerstone of engagement, and an essential part of the SRP framework, each Kinross site is required to have a standing mechanism where community and site interactions can be discussed effectively with representatives of key stakeholder groups. Community advisory mechanisms were in place at all of our operations and projects in 2010 and 2011.

In 2011, our operations focused on building their capacity to better manage the rapid evolution of engagement issues, partners and opportunities. To support our corporate responsibility managers and other employees, and to strengthen their day-to-day interactions with our stakeholders, Kinross began rolling out a series of engagement training modules, including topics of grievance management, human rights and advanced stakeholder engagement. Our engagement initiatives cover a spectrum of approaches, and vary depending on the stakeholders or issues. They include regular meetings with officials and neighbours; negotiated agreements; formal dialogue tables and stakeholder committees; community, business, government and school presentations and partnerships; targeted and public mine tours; participation in local cultural and sports events; and informal, impromptu conversations.
MINING IN CLOSE PROXIMITY TO THE COMMUNITY AT PARACATU

In our 2009 CR Report, we reported on several initiatives that were underway to address neighbourhood concerns regarding dust, noise, and vibration from pit operations in Paracatu. This is an update on the status of those efforts.

The mine’s southern boundary is two kilometres from Paracatu’s city centre, and almost 600 families live in the neighbourhoods adjacent to the pit (between 200 and 500 metres from the pit limit). To ensure open communications with the community, the Paracatu Stakeholder Committee and a 24-hour community hotline were established in 2009.

We have incorporated a number of measures in our operating practices to reduce noise, dust, and vibration. Some key aspects include:

- Mining operations are planned so that blasting occurs only on weekdays at 4:00 p.m. From time to time, an additional blast may occur on Saturday – but only after consultation with the community;
- Blasting is undertaken with special care to minimize vibration;
- When operating areas of the pit that are the closest to the town, we apply dust suppression to the entire working area, and not just to the in-pit haul roads as we do in areas further from the town;
- We maintain natural barriers (slopes) and curtains of vegetation surrounding the mine, and in one area, we have been able to develop a waste rock pile to create a noise barrier. Some representatives from the closest neighbourhood indicate that since the barrier was constructed they no longer hear the noise from the mine;
- Reverse horns on equipment operating in the pit are turned off from 10:00 p.m. until 6:00 a.m.;
- Mining operations are planned so that after 10:00 p.m. the primary mining activities are in areas further away from the community;
- A community-based third-party technician monitors noise levels nightly between 10:00 p.m. to 6:00 a.m. and contacts the mine supervisor if noise levels approach unacceptable limits. Whenever a noise complaint is received, the technician visits the house and measures the noise levels; and
- Whenever a call is received on the hotline, the operations team is notified and equipment is redeployed to minimize impacts.

Another significant improvement since 2009 is the relocation of the new mine access road. In the past, all vehicles going to the mine (including those carrying reagents, equipment, and supplies) travelled through the Amoreiras neighbourhood. In 2009, a new access road was opened outside the city, and mine traffic no longer uses neighbourhood streets for access.

We have also made significant investments in dust monitoring. There are now eight high-volume dust monitoring stations. Working with the community, we have trained local people to participate in the monitoring programs. Hourly data on wind direction and dust content are recorded and posted to a data transfer site that is available to the local agencies.

Regarding concerns about potential impacts of ground vibration from mine blasting, we have conducted a complete study of the neighbourhoods closest to the mine, and found no evidence of blasting-induced cracks or other damage.

We have commissioned extensive community health and epidemiological studies, which have concluded that there is no evidence of increased health risk in these neighbourhoods due to Kinross mining activities. To learn more, see discussion on Epidemiological testing in the Health and Safety section of this report.

There were 169 calls registered on the hotline in 2010 and 231 complaints registered on the hotline in 2011. While some of the variation year to year may be attributed to seasonal changes and dry spells, Kinross recognizes that these issues continue to be a concern of local residents, and we will continue to maintain open channels of communication as we strive to address community concerns about the impacts from dust, noise and vibration in the community.
KEY STAKEHOLDER ISSUES

In 2010 and 2011, the significant issues raised by stakeholders focused on mine expansion and resettlement, indigenous peoples’ land rights, operational impacts, and communities’ interests associated with educational and economic opportunities. The table below outlines the top concerns by site and the ways in which we responded.

CORPORATE OFFICE

Key Stakeholders: Investors

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Action Lawsuit</td>
<td>In February and March 2012, lawsuits seeking class action status were filed in U.S. federal court in New York and in the Province of Ontario, respectively, claiming that Kinross made “materially false and misleading statements” and failed to make timely disclosure of information relating to the Company’s Tasiast mine in advance of a Company news release on January 16, 2012. It is not uncommon for class action litigation of this nature to be brought against a company following a period of volatility in its share price, which in this case occurred following the Company’s January 16, 2012 news release. Kinross believes that the allegations that have been made are without merit, and plans to vigorously oppose and defend against these lawsuits and any further litigation that may result.</td>
</tr>
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</table>
### SOUTH AMERICA

#### Paracatu, Brazil

**Key Stakeholders:** Neighbouring communities, including the Quilombola community

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historic Quilombola land claim and construction of a new tailings dam</td>
<td>As descendants of slaves with distinct culture and traditions, Quilombolas are given special recognition and protection under Brazilian law. Legislation in Brazil requires 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 Colonizaccao e Reforma Agraria (INCRA), to have rights to certain lands. An INCRA report issued in 2009 concluded that local Quilombola communities have historic rights to land in the Paracatu area, a portion of which would be affected by the new Eustaquio tailings dam. No Quilombolas are living in the area affected by the new dam. Several iterations of compensation arrangements have been considered; as a condition of the Operating Licence for the new dam, approved in November 2011, the Company was required to develop a social investment plan for the affected communities. The proposed social investment plan was presented by the Company in 2012, and is now under consideration by the communities. The proposal and land compensation arrangements will be the subject of future discussions.</td>
</tr>
<tr>
<td>Trespassers at Paracatu</td>
<td>During a period of seven months in 2011, there were several incidents of illegal trespass on the Paracatu property to attempt to recover gold from the tailings dam. These incidents led to enhanced surveillance and security measures by the Kinross Security Team and the arrest of six trespassers by local police and seizure of various materials used in the practice of illegal mining. Kinross supports the Voluntary Principles on Security and Human Rights and has implemented an extensive Human Rights Adherence and Verification Program. All actions taken by security personnel at Paracatu have been conducted in accordance with the Kinross Global Security Standardization Program.</td>
</tr>
<tr>
<td>Dust, noise, and vibration at Paracatu</td>
<td>In our 2009 CR Report, we reported on several initiatives that were underway to address neighbourhood concerns regarding dust, noise, and vibration from pit operations in Paracatu. See Mining in Close Proximity to the Community at Paracatu for an update on the status of those efforts.</td>
</tr>
</tbody>
</table>
### Maricunga, Chile

**Key Stakeholders:** Rural and urban indigenous Colla community, neighbouring community of Tierra Amarilla

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic, dust and noise on the public access road adjacent to Colla of Rio Jorquera land</td>
<td>Kinross and other mining companies use a dirt public road to access mines in the area. This road crosses through areas of the Rio Jorquera Colla Community, and traffic, dust and noise issues pertaining to the access road are ongoing. Over the past 18 months, Kinross has made a significant investment in the dust control and safety upgrades on the portion the road leading to the Maricunga mine. This work was carried out as part of an agreement with the Colla and was inaugurated in 2012. For the common portion of the road used by several companies, an arrangement was negotiated whereby the companies would purchase dust control materials, and the government road agency would maintain the road. Although the companies did purchase the required dust control agents, the government has made only minor repairs to date.</td>
</tr>
</tbody>
</table>

| Property rights and Colla of Rio Jorquera land | In response to a study of impacts by a mutually agreed to third-party consultation, Kinross has proposed a package of short-term compensation and long-term investment in social and environmental programs to the Rio Jorquera community. The Rio Jorquera community has not responded to the proposal, which was presented to the leaders of the community in December 2011. |

### Lobo-Martí, Chile

**Key Stakeholders:** Local indigenous Communities, governments

<table>
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<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
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<tr>
<td>Stakeholder engagement in permitting process</td>
<td>In 2008, Chile ratified ILO Convention No. 169, and it came into full effect in September 2009. ILO 169 deals with the responsibility of governments to consult with indigenous peoples regarding decisions that may affect the indigenous communities. Although this does not directly establish a requirement for companies, Kinross met with the neighbouring indigenous communities to discuss the project and outline the permitting schedule. Based on those meetings, one community (Pai-Ote) requested that Kinross sign a pre-consultation agreement in the spirit of ILO 169; the other three deferred to the formal consultation process conducted as part of the formal permitting process. Also, as part of the baseline collection process, Kinross worked with the communities to conduct an “ethno-mapping study” to identify areas of special interest and historic use. Based on those consultations, Kinross was able to design the project in a way that avoids impact to areas identified as sensitive by the indigenous communities. When the formal government-managed consultation process began, special consultation meetings were held in the indigenous communities. Several of the communities have submitted comments, and these are being accounted for in the various iterations of the review (see Road Use below). Through this process, the indigenous communities have the opportunity to achieve real influence on those aspects of the project that may affect them. The process is ongoing.</td>
</tr>
</tbody>
</table>
Road Use

Two roads lead to the Lobo-Marte project site. The La Puerta road is a shorter distance to the site, but passes by several homes of the local Colla communities. The international road is a longer driving distance to the proposed mine site but the road conditions are favourable. During the Environmental Impact Assessment (EIA) process, public comments were received expressing concerns about potential impacts associated with using the La Puerta road, including dust arising from road use as well as impact on lifestyle. As part of the feasibility study, the project team is reviewing the two options for transportation to and from Lobo-Marte.

Fruta Del Norte, Ecuador

Key Stakeholders: Local communities, government, businesses, indigenous peoples

**ISSUE** | **RESPONSE**
--- | ---
Legislated requirement for local governments to create a development plan | The development plan for Fruta del Norte (FDN) and for the Los Encuentros Parish identifies community needs and provides the basis for identifying and prioritizing projects, which will be funded largely by future mining royalties from the project. Kinross initiated a systematic approach to engagement to support the preparation of the FDN development plan and land use with the Los Encuentros Parish Council, the local governmental body on which all community leaders sit. We provided funds for a consultant to assist in creating the development plan, co-ordination with the national government’s planning secretariat, and publication of the Plan’s executive summary in book format for delivery to all local communities.

Artisanal mining on Kinross concessions | Artisanal mining and small-scale mining (ASM) has existed for decades in the area near FDN and is still a common and important economic activity for the province, and associations and guilds of ASM are important stakeholders. Kinross policy has been that formalization of ASM on its concessions is in the interests of all parties, and has worked to make this a reality. For more information, see Case Study 8: Formalizing Artisanal Mining at Fruta del Norte.

In addition to working with the ASM operators themselves, Kinross has engaged with the local communities to help develop a mutual understanding of the potential effect development of the FDN deposit will have for local communities. By working with local authorities and stakeholders in a way that supports and aligns with existing cultural, governmental, and community institutions, we have established co-operative relationships that have led to improvements in access to education, job opportunities, and development of business opportunities in areas outside of the mining industry.

Engagement with Shuar Indigenous Peoples | In 2009, we signed a Co-operation Agreement with the Shuar Federation of Zamora-Chinchipe. The agreement aims to improve the quality of life of people in the region, including strengthened internal capacity of the Shuar communities, investment in community infrastructure projects and economic development activities, and support for traditional cultural and sporting events. See the Case Study 7: Working with the Shuar Nation for more details.
### RUSSIA

#### Kupol and Dvoinoye

**Key Stakeholders:** Chukotka communities, indigenous peoples, governments

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
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</thead>
<tbody>
<tr>
<td>Economic benefits, notably employment and training</td>
<td>In consultation with key stakeholders, we provide a broad range of benefits to the region, including investments in education through universities and technology schools; ongoing certified professional training at Kupol; and, community support through the Kupol Foundation. In 2011, we sponsored the development of a White Paper to support investment in Russia. See Case Study 2: Encouraging Mining Investment in Russia.</td>
</tr>
</tbody>
</table>

### NORTH AMERICA

#### Kettle River-Buckhorn

**Key Stakeholders:** Communities, governments, businesses, special interest groups

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
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</thead>
<tbody>
<tr>
<td>Water quality</td>
<td>Water quality remains an ongoing area of focus for regulators, community stakeholders and for the Kettle River-Buckhorn mine.</td>
</tr>
<tr>
<td></td>
<td>Achieving compliance at the mine requires a dedicated effort to maintain the high water quality standards in a natural environment characterized by complex hydrology and an extensive number of site permits and regulatory requirements. To learn more about the efforts to address water quality issues, please read Maintaining Water Quality at Kettle River-Buckhorn in the Environment section of this report.</td>
</tr>
</tbody>
</table>

#### Round Mountain

**Key Stakeholders:** Communities, indigenous peoples, governments

<table>
<thead>
<tr>
<th>ISSUE</th>
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<tbody>
<tr>
<td>Proximity to old town of Round Mountain</td>
<td>The Fairview area of the pit is in close proximity of the old town of Round Mountain. When a blast is scheduled in the Fairview area, the Round Mountain mine notifies the concerned residents by telephone so they know what to expect, and to keep a line of communication open. The mine communicates the size and the time of the blast and answers any questions the concerned residents may have. Noise and vibration of the shots are reduced throughout the pit by using electronic detonators. Seismographs are also used to measure the vibration and noise a shot produces. Every six to eight weeks, a representative from the mine will visit concerned residents throughout the duration of a shot to gain first-hand experience of what the residents are feeling. There are several more residents at the old town of Round Mountain; however, they have not voiced any concerns.</td>
</tr>
</tbody>
</table>
WEST AFRICA

Chirano, Ghana

Key Stakeholders: Communities, governments

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<tr>
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<th>RESPONSE</th>
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<tbody>
<tr>
<td>Agricultural compensation</td>
<td>From 2003 to 2005, Chirano Gold Mining Company provided fair monetary compensation to farmers operating in areas that would be needed for construction of the mining and processing facilities. Compensation payments were higher than standard crop evaluation methods, and were accepted by the affected farmers. Since that time, a group of farmers has challenged the level of compensation received. In early 2012, the Land Valuation Board presented its findings to the farmers and to the mine. The Chirano mine is committed to working with the parties involved to better understand the basis of the Board’s calculation and, in the interests of resolving the issue, will be providing a formal response to the Land Valuation Board’s recommendation.</td>
</tr>
<tr>
<td>Employment</td>
<td>Local employment is a priority for the mine. To help ensure fair access and enhance transparency regarding employment opportunities, our human resources and community relations teams are working together with the local chiefs to support local recruitment for unskilled positions. Clear hiring procedures have been developed with the community and include measures such as ad placement in the local community for all jobs available and skills development. We recently launched a group training program for 50 people to provide skills training and apprenticeships for surface and underground mine positions, truck operators and contractors.</td>
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Tasiast, Mauritania

Key Stakeholders: Communities, governments, local chiefs and elected authorities

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<tr>
<th>ISSUE</th>
<th>RESPONSE</th>
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<tbody>
<tr>
<td>Hiring practices, high youth unemployment, need for skills training</td>
<td>Kinross has instituted hiring procedures that are fair and transparent and that give first priority to Mauritanians with the proper experience and qualifications. We are developing a “Mauritanization Plan” to progressively increase the number of Mauritanians employed by investing in training programs – from basic academic and literary upgrading to technical training, to support for new institutions (including a $10 million commitment over three years to help establish a new mining school to train in-country professionals and technical experts). To learn more, see Case Study 4: Developing a Skilled Workforce in Mauritania.</td>
</tr>
<tr>
<td>Establishing effective channels for stakeholder engagement at a remote location</td>
<td>A fundamental task for Kinross has been to build an inclusive, comprehensive and effective strategy for stakeholder engagement of local communities at Tasiast. Kinross has developed a stakeholder engagement plan, including increased communication meetings with stakeholders. Key objectives have been to help communities build a basic understanding of the Tasiast mining operation, to address concerns regarding potential environmental and health impacts, and to build our understanding of the local setting and to build trust.</td>
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Relocation of 14 families at Paracatu

At the end of 2009, in order to bridge the time needed to complete permitting and construction of the new Eustaquio tailings dam at Paracatu, Kinross began to raise the elevation of the embankment of the Santo Antonio tailings dam at Paracatu to allow it to receive more tailings material from the processing plant. Raising the Santo Antonio dam required the collection of construction material from neighbouring areas in the vicinity of the dam. The Company realized that this activity would result in increased noise, dust, and truck traffic, and would likely cause discomfort to certain residents of the neighbouring community of Santa Rita.

Kinross determined that the best solution was to relocate the affected residents. The Company conducted a survey of the area and identified six properties and 14 family groups who would be adversely affected by the construction activity, with the objective of relocating each family to another area. In 2010, Kinross began the process of negotiating with each of the affected families on acceptable terms for relocation. The negotiations were conducted according to IFC. As a first step, we agreed on the criteria for determining the value of the properties, the procedures for defining the options for relocation, and the method for implementing the relocation. The goal in every case was to offer the residents improved living conditions, and, through a negotiation process, to arrive at a mutually agreed-on location for the new home.

All 14 family groups who were exposed to the impacts of the Santa Antonio dam works accepted the relocation offer, and by the end of 2011, all were living in their new houses. The Company conducted follow-up visits to the families in the spring of 2012, and found that the majority of the families reported that they were satisfied with their new homes, and in many cases, viewed them as providing a significant improvement in the quality of life over their previous living arrangements.
WORKING WITH INDIGENOUS PEOPLE

Kinross is committed to working with the indigenous peoples who live near our mines and projects. Our aim is to develop and operate projects in a manner that respects and strengthens their communities and brings positive long-term contributions to their quality of life. We believe that, when undertaken with appropriate safeguards and in consultation, mining is a strong source of positive benefits for our host communities.

This commitment is articulated in our Ten Guiding Principles for Corporate Responsibility and, over the past three years, we have been examining ways to operationalize our approach. Meanwhile, in 2011, the global conversation evolved significantly in light of updates to the IFC’s Sustainability Framework, which became effective in January 2012, and the presentation and unanimous endorsement by the UN Human Rights Council, in June 2011, of John Ruggie’s Guiding Principles on Business and Human Rights. These new perspectives confirm the need for a careful, diligent approach that takes into account the specific circumstances in each jurisdiction.

Within that context, we recognize the unique considerations of indigenous peoples, including:

- The unique histories, languages, cultures, knowledge, traditions and values of indigenous people and their contribution to the cultural and social diversity of the countries where we have a presence;
- The cultural importance of connections with the natural environment, including land, water, wildlife, and plants; and
- The distinct nature and importance of indigenous institutions in realizing the aspirations of indigenous peoples for their own development.

Consistent with the laws regarding the rights of indigenous peoples in the countries where we operate, some of the practices that we undertake as appropriate to engage with indigenous peoples include:

- Conducting due diligence to identify areas where our activities may impact the lands, rights, or interests of indigenous peoples;
- Designing our projects to avoid any physical relocation of indigenous peoples from their customary lands, and following international standards for relocation when it cannot be reasonably avoided;
- Consultation to seek mutually acceptable solutions to avoid, minimize, or mitigate adverse impacts prior to beginning any activities that would cause those impacts;
- Ongoing engagement with indigenous communities near our operations to understand the economic, social, and development aspirations of those communities and to endeavour to contribute to their self-sustainable capacity to attain those aspirations;
- Encouraging opportunities for training and local business development that enhance indigenous peoples’ participation in our activities as employees and suppliers; and
- Providing training to employees and contractors interacting with indigenous peoples to promote cross-cultural understanding and respect for traditional languages, customs, and practices.

Chile

Located in the high Andes, our Chilean operations are accessed by public roads that cross lands held by indigenous peoples (the Colla). Kinross has long-standing and productive relationships with these Colla communities which have evolved and formalized over time. In 2009, Convention No. 169, the Indigenous and Tribal Peoples Convention of the International Labour Organization (ILO), took effect in Chile. Kinross is working to operate and engage with the Colla in a manner that is aligned with these principles.
Engagement with indigenous communities has always been part of day-to-day operations. In 2008, we signed a protocol agreement with the Rio Jorquera Colla Community establishing formal regular dialogue tables and defining the focus of our social investments in education, training, tourism and medical assistance.

In 2010 and 2011, a key focus of our discussions with the Rio Jorquera Colla Community related to the impacts of the mining-related traffic on the public access roads leading to our Maricunga operation. For more information on our response to these issues, see the Engaging Our Stakeholders section in this report.

In addition to the ongoing consultation and engagement with communities regarding our Maricunga operation, our Lobo-Marte project is carrying out consultation as part of the pre-project work for that development site, including baseline studies of the nearby communities (see discussion in the Lobo-Marte section of the Key Stakeholder Issues). In 2011, we also established Working Tables with three indigenous communities in the vicinity of our Lobo-Marte project. With the participation of the Government Indigenous People Agency (CONADI), the Working Tables focus on education and economic support for small business start-ups. They are also helping us to jointly set the agenda for our Social Investment Strategy. One example of an initiative underway is a pre-feasibility study for the design of a water pipeline to provide water to the Pastos Grandes Colla community inn. The design of the pipeline would ensure that water reaches the spring located in the “El Salto” hill. The water rights are being contributed by Kinross. The study is expected to be completed during 2012.

A fourth community suspended its relationship with Kinross when we declined their request for financial support for a cultural celebration involving capturing and taking the life of an animal (the high-altitude vicuña) because it was at odds with Kinross’ biodiversity guidelines. Early in 2012, we re-established our relationship with this indigenous community by working with them and the Government animal health regulatory agency to find ways to honour the tradition of the cultural celebration while respecting the biodiversity of the area. Remaining true to the spirit of the celebration, the capture of the vicuña became an opportunity to implement an inoculation program to protect the health of the vicuña, avoiding any loss of life. Building on the renewed relationship, our goal is to establish a Working Table with this community during 2012.
In 2010 and 2011, we supported a range of ongoing capacity-building activities, which included:

- Continued financial assistance and scholarships to Colla elementary and high-school students who must travel a substantial distance to attend classes. In 2010, we supported 97 Colla students and their families; in 2011, support was provided to 102 students;

- In partnership with Chile's Public Roads Department, we provided $41,000 towards construction of a reservoir for agricultural irrigation to support the health and well-being of the Rio Jorquera Colla community near our Maricunga operations;

- Continued veterinarian and other program support for rural water management and animal husbandry methods; and

- Provided ongoing financial and in-kind assistance to the Multicultural Native Association.

### Ecuador

More than 5,000 Shuar people live in Zamora-Chinchipe, the region where our Fruta del Norte project is located. They are one of the largest indigenous groups in Ecuador.

In 2009, we signed a co-operation agreement with the Shuar Federation of Zamora-Chinchipe, which provides a framework for projects designed to improve the quality of life of people in the region. Developed in co-operation with government, NGOs and local communities, the projects focus on education, community infrastructure, sports and cultural programs.

In 2011, Kinross provided funding for the construction of the Shuar Nation's Ethnographic Museum, which supports the preservation and display of cultural artifacts from Shuar history. Through another program, Kinross supported training for 70 Shuar youth to help them develop leadership skills and self-confidence.

We updated our agreement with the Shuar Nation early in 2012. For more information on our relationship with the Shuar people and the programs we support, see Case Study 7: Working with the Shuar Nation.
CASE STUDY 07: WORKING WITH THE SHUAR NATION

THE ISSUE: Mining projects have the potential to bring significant economic and social benefits to neighbouring indigenous communities. However, there have been instances around the world of extended conflicts between mining companies and indigenous peoples over questions of land rights, access, environmental impact, compensation, and other issues. How do mining operations nurture and sustain mutually beneficial, constructive relationships with their indigenous neighbours while respecting their unique culture, traditions and values?

THE KINROSS WAY

Kinross’ Ten Guiding Principles for Corporate Responsibility establish the standards through which we define our working relationships with our employees, partners, governments, civil society, and communities where we live and operate. Within this context, we recognize the unique considerations of indigenous peoples, and we are committed to working with those who live near our mines and projects. We have also established guidelines for our relations with indigenous peoples, which are outlined in the Working with Indigenous Peoples section of this report. Our aim is to develop projects and conduct our operations in a manner that respects and strengthens their communities and brings positive long-term contributions to their quality of life.

Our relations with the Shuar Nation of Zamora-Chinchipe in Ecuador illustrate how we apply these principles in both our formal and day-to-day interactions with the indigenous peoples living in the vicinity of one of our growth projects.

The Shuar Nation represents about 80,000 of the one million indigenous peoples in Ecuador. Approximately 5,475 Shuar people live in Zamora-Chinchipe, the region where our Fruta del Norte (FDN) project is located. Within the FDN project area, the nearest Shuar communities are Nankais and Achunts, located approximately 30 and 25 kilometres from the project respectively, and the hunting camps of El Pindal, El Carmen, and La Merced, located 20 kilometres from the project.

These communities are all part of the Shuar Federation of Zamora-Chinchipe, an organization created in 1988 to represent the interests of the associated centres and communities in the province. The Federation strives to ensure that the Shuar Nation actively participates in the region’s development process, while preserving the Shuar identity and cultural values. The Shuar Nation are active in hunting, fishing and subsistence farming. They are characterized by strong cultural traditions, expressed through their language, food, myths, music and dance. Traditional cultural activities in the area include cultural and spiritual rituals, such as visits to sacred places (waterfalls). Sports are also a major daily activity.

Aurélian Resources Inc., which was acquired by Kinross in 2008, began informal consultations with the Shuar in 2007, in the earliest days of exploration after acquiring the FDN mineral concessions. Recognizing that the modern Shuar Nation may not fully reflect ancestral land use, the FDN project staff met with leaders of the Shuar Nation in order to understand the extent of their ancestral land rights (which are protected by the Constitution of Ecuador) and to maintain open communication regarding the progress of exploration and, once the deposit was discovered, project development.

During the impact assessment phase of its project feasibility studies, Kinross has subsequently paid particular...
attention to documenting all aspects of the Shuar Nation. We have also supported baseline studies conducted on behalf of the Shuar Nation for their five-year development plan.

Through consultation, we have been able to design the FDN project in a way that does not affect ancestral land rights of the Shuar Nation, or negatively impact sacred sites and resources. We have also focused on proactive engagement to ensure an integrated, balanced and inclusive development for the indigenous community.

In 2009, we signed a Co-operation Agreement with the Shuar Federation, setting guidelines for determining which Federation projects we would support. Designed to improve the quality of life of people in the region, they included strengthening the internal capacity of the Federation and Shuar Nation, investing in community infrastructure projects and economic development activities, and supporting traditional cultural and sporting events.

The agreement has been successful in increasing the organizational competency of the Shuar Federation and its 54 communities in Zamora-Chinchipe; improving school, road and water infrastructure; and supporting understanding of Shuar culture. As such, it has provided a strong foundation to reinforce our long-term objective of encouraging the Shuar Nation in its goal of independent development and management of sustainable activities, aligned with their way of life and culture.

Early in 2012, to advance this objective, we updated our agreement with the Shuar Federation. We will invest $200,000 in 2012 in operating funds and co-operative projects designed to:

- Further enhance the organizational competencies of the Federation;
- Strengthen understanding of the ancestral foundations of the Shuar culture;
- Consolidate economic development knowledge through the development of a sustainable Shuar Federation-owned and operated business; and
- Complete an assessment of local education infrastructure to support future planning.

In alignment with government policy, all of our social development activities in Ecuador, including the projects we support under the Shuar agreement, are determined within the context of national development plans for the southern region of Ecuador. The agreement establishes a stakeholder committee, which is charged with approving the plans under each component of the agreement, and following up to ensure effective implementation.

“The presence of mining companies will enrich the province through the development of projects. We have developed several agreements with the mining companies and the Shuar people are very grateful for that.”

JORGE NANTIP,
PRESIDENT OF SHUAR FEDERATION
OF ZAMORA-CHINCHIPE
### CASE STUDY 07: WORKING WITH THE SHUAR NATION (continued)

The following lists specific projects and their beneficiaries under the Agreement between FDN and Shuar Federation of Zamora-Chinchipe:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>BENEFICIARIES</th>
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<tbody>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
</tr>
<tr>
<td>Construction of a classroom in San Andrés</td>
<td>18 children</td>
</tr>
<tr>
<td>Shuar community</td>
<td></td>
</tr>
<tr>
<td>Construction of a dining room for the Waats</td>
<td>15 children</td>
</tr>
<tr>
<td>Shuar community</td>
<td></td>
</tr>
<tr>
<td>Delivery of training materials for schools</td>
<td>38 schools</td>
</tr>
<tr>
<td>Shuar dictionaries</td>
<td>3,000 units</td>
</tr>
<tr>
<td>Printing of 2,000 educational Kichwa brochures</td>
<td>900 Kichwa children</td>
</tr>
<tr>
<td><strong>HOME IMPROVEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>Construction and improvement of family houses</td>
<td>64 families</td>
</tr>
<tr>
<td>Construction and improvement of water systems</td>
<td>432 families</td>
</tr>
<tr>
<td>Construction of rural restrooms</td>
<td>10 families</td>
</tr>
<tr>
<td>Opening of third order roads</td>
<td>18 communities</td>
</tr>
<tr>
<td><strong>HEALTH</strong></td>
<td></td>
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<tr>
<td>Construction of ancestral medicinal plant nurseries</td>
<td>40 nurseries</td>
</tr>
<tr>
<td><strong>CULTURAL SUPPORT</strong></td>
<td></td>
</tr>
<tr>
<td>Ethno Cultural Centre Construction</td>
<td>5,000 beneficiaries</td>
</tr>
<tr>
<td>Support for ancient games of the Shuar nationality</td>
<td>5,000 beneficiaries</td>
</tr>
</tbody>
</table>

**Russia**

Kinross is a major employer in the region near our Kupol operations. We provide economic and social support to the indigenous Chukchi people of the region through employment, contractor and supplier purchases, and other services.

In 2008, we reached an agreement with the Chukotka Regional Association of Indigenous Peoples of the North, Siberia and Far East to help ensure that the benefits of Kupol reach the region’s indigenous peoples. Under the 2008 agreement, a representative of the Association sits on the Foundation’s selection committee, and one-third of the $250,000 annual grants are earmarked for indigenous peoples’ initiatives. Our goal is to increase their participation and the impact of the initiatives funded by the Foundation. To learn more, see discussion of the Kupol Foundation in this report.

In 2011, Kinross took part in a round table focusing on the development of partnerships between gold mining companies and indigenous minorities of the Chaunsk district. Other participants included government and district authorities, representatives of the Pevek Sea Port, and NGOs.
Kinross helped celebrate the International Indigenous Peoples Day in July 2011 with an exhibition of artifacts at the Kupol site and a visit with suppliers to reindeer herders who operate in the regions of our mines. We helped the children and families in Ilirnei, Ritskuchi, Yanranay settlements and the city of Pevek celebrate the arrival of the New Year 2011 with the presentation by Kinross employees of more than 300 gifts. The program was carried out in partnership with the Indigenous Peoples department of the Chaunsk district administration.

United States
For a number of years, Kinross has engaged in a stable, consultative and constructive relationship with the Western Shoshone Native Americans, who have roots in the Round Mountain area. In 2007, Round Mountain Gold Corporation (RMGC) and the Western Shoshone Descendants of Big Smoky Valley signed a Memorandum of Agreement. The Agreement remains a cornerstone of the relationship and has had several positive outcomes, including relocation of a proposed access road to accommodate Western Shoshone concerns and the signing of a Memorandum of Understanding (MOU), which expresses their support for extending the life of the mine. As part of the MOU, there is a provision to ensure monitors are present as needed to watch for ancestral markers such as artifacts and gravesites during site or infrastructure development work.
COMMUNITY AND SOCIAL DEVELOPMENT

At Kinross, a cornerstone of responsible mining is creating opportunities for sustainable benefits in the communities where we live and operate. We support a broad spectrum of community initiatives and partnerships across our global operations. We continued in 2010 and 2011 to focus on education, health, and environment as key priorities, while also supporting local infrastructure development, small business capacity-building, civic organizations and non-profit organizations, and community activities and services.
KINROSS COMMUNITY FOCUS

- **Local Infrastructure Development**  Our operations partner with government and other entities to help build schools, health care facilities, civic gathering places, and other vital infrastructure in the communities where we operate.

- **Civic Organizations and Non-Profit Organizations**  Kinross partners with select civic organizations to make a positive difference in the lives of local families. Our financial assistance is also critical to local aid and non-profit organizations that help the poor, homeless and other disadvantaged members of the community.

- **Education and Youth**  Kinross provides significant support for local schools, skilled trades programs, and other training and educational initiatives. We also support a wide variety of youth and sporting events that equip local children with the opportunity to contribute, compete and learn.

- **Community Activities and Services**  Our operations and employees play an important role in the activities that tie our communities together, such as festivals, music groups and other cultural activities. In some areas, Kinross plays a critical role in supporting such community services as volunteer fire departments, search and rescue groups, and libraries.

- **Health**  Our operations support local health care providers, research organizations, and services for patients living with health challenges.

- **Small Business Support**  We leverage the economic value generated by our activities by supporting a broad spectrum of small businesses in the communities where we operate. This includes support for potential suppliers as well as capacity-building programs for local business ventures.

- **Regional Development and Grants**  Our support for, and participation in, economic associations, planning commissions, and other initiatives that encourage growth reflect our commitment to engage with our communities on an ongoing and forward-looking basis. Some of our mines have also established foundations that enable community members to decide which community initiatives Kinross should support.

- **Local Employment**  Wherever feasible, we hire employees locally and provide supply contracts to local and regionally based businesses. We have been able to successfully recruit the majority of our mine site operations and management teams from local talent pools.
SOUTH AMERICA

Brazil

With the life of our Paracatu mine in Brazil projected to extend to 2040, Kinross recognizes the importance of supporting local economic and social development. In 2011, we introduced a new social investment policy designed to strengthen dialogue and community investment decisions in partnership with local stakeholders. We profile this initiative in our Case Study 3: Supporting Community Sustainability at Paracatu.

In 2010 and 2011, we provided $1.5 million and $2.7 million respectively in financial support for a variety of community initiatives, including:

- Partnered with the municipal Education Office, the regional Superintendent of Teaching, and the Federal University of Minas Gerais to improve local education outcomes through student tutoring and teacher training in the INTEGRAR – Education Line program. In a 2011 pilot, 141 students in Grades 5 through 9 at three Paracatu schools received educational support. Kinross will invest $250,000 annually in the Education Line program, and approximately 1,400 students are expected to benefit. The effect of the program will be measured by the country’s Index of Basic Education Development (IDEB). A 14% increase in the participation rate in annual standardized testing was realized in 2011, one of the items considered for the IDEB. The IDEB is conducted every two years and will take place again in 2013;

- Partnered with Paracatu’s Culture, Education and Environment offices to deliver environment-focused instruction at three local schools. In 2011, more than 1,200 students took part;

- Continued to fund the Partnership Seminar, developed over 15 years ago, to strengthen local organizations and create jobs through community partnerships. In 2011, the Partnership Seminar undertook a review focused on strengthening the credibility and success of the program. Among the improvements identified, the project cycle was extended to every two years to give more time for project implementation and to give the Partnership Seminar more time to monitor and evaluate the results of funding recipients. Eight of 25 projects were selected for sponsorship. A committee formed by representatives of private companies, government and NGOs helped determine which projects to support. Programs funded in 2011 include, an education program provided by the Paracatu Commercial and Industrial Chamber to build capacity for more than 200 young people from 16 to 29 years of age, and a program deployed by the Esther Siqueira Tillman Association to benefit about 80 socially vulnerable women through the production and commercialization of regional craftworks; and

- Launched the Culture Project in August 2011, with the goal of strengthening community-led cultural initiatives by encouraging effective business practices, fundraising activities and professionalism. As part of INTEGRAR, more than 20 cultural groups representing the traditional and new modalities of dance, music, Capoeira (Brazilian traditional mix of dancing and sport), gastronomy, handcraft, and others participated.
Chile

In 2011, our team in Chile began implementation of our new community investment strategy. It is designed to align our community investments with the Company’s business objectives by building and strengthening partnerships and supporting initiatives that create long-term capacity. Through it, Kinross supports a variety of programs, from education, employment and the environment to health care and local culture.

In 2010, we also provided significant financial and in-kind resources to support relief efforts following the devastating earthquake in southern Chile and the dramatic rescue at the San Jose mine near our operations in Maricunga and La Coipa.

In 2010 and 2011, we supported a number of educational, apprenticeship and employment initiatives:

• Certificates of Completion were awarded to 10 apprentices at our La Coipa operation in 2010;

• The Fernando Llanos Briceño educational excellence scholarship was given to a student in each of 2010 and 2011 to help finance the recipient’s university studies. Since the scholarships were first awarded 20 years ago, they have supported 20 graduates, from doctors and dentists to metallurgists and mining engineers, who work in the region and around the world; and

• Under a new alliance with the Corporation for the Promotion of Production (CORFO), a government agency, and the Corporation for the Atacama Development (CORPROA), a development agency, Kinross invested $60,000 in 2011 to support the growth of 200 small businesses in Copiapó and Tierra Amarilla.

In our discussions with stakeholders, one recurring theme was a lack of cultural programs in Copiapó and Tierra Amarilla. In 2011, in partnership with Chile’s Ministry of Culture, we invested approximately $180,000 to support the Copiapó and Tierra Amarilla Cultural Season, provided multi-year assistance for the Multicultural Native Association, and helped fund capital improvements for the reconstruction of the Cultural Centre in Tierra Amarilla.

KINROSS PROVIDES EARTHQUAKE RELIEF

In February 2010, a major earthquake struck the southern part of Chile, killing hundreds of people, devastating villages, and leaving many homeless. Fortunately, there were no injuries to Kinross employees or contractors working at our mines, or to employees in our offices. A number of Kinross employees and permanent contractors do, however, live in the southern region that was hardest hit by the quake. To assist relief efforts, Kinross committed $705,000 in financial aid, including a gift-matching program for employee contributions from our sites and offices around the world. Over two months, Kinross employees donated $21,000.
In August 2010, 33 miners were trapped following an underground collapse at the San Jose gold and copper mine, located in the same region as Kinross’ Maricunga and La Coipa operations. Kinross supported rescue efforts from day one, immediately sending an emergency brigade of nine miners to the scene. We provided satellite telephones, fuel for generators and vehicles, food for rescue teams and family members of the trapped miners, helmets, gloves, safety shoes, working suits, tents and drinking water. Our Toronto head office raised CDN $3,000 for the rescue efforts, which helped buy bedding, blankets, pillows and towels for the 33 miners. Kinross representatives were on hand during the last 24 hours to witness the dramatic rescue of the miners on October 13, 2010.

As a result of the accident, the San Jose mine was closed and hundreds of workers lost their jobs. In order to provide support to the unemployed, Kinross Chile invested $47,000 in a training program to help 37 miners learn new skills.

Ecuador

Kinross’ Fruta del Norte project is located in Zamora-Chinchipe, one of Ecuador’s poorest provinces. Working with government agencies and local communities, we support capacity building in education, economics and skills development. In line with the country’s development policies, our work is co-ordinated within the overall context of government plans for development in the southern region of Ecuador. Since 2007, we’ve also worked under a special framework agreement with the Shuar indigenous community. For more on our engagement with the Shuar, see Case Study 7: Working with the Shuar Nation.

Through this framework, we provided support for education, community infrastructure, as well as sports and cultural programs. Among the programs we supported in 2010 and 2011 were the following:

- Partnered with the Ministry of Education and the local government of Los Encuentros parish near our FDN project in the renovation and development of 17 educational centres, benefiting 800 children and youth. Kinross invested approximately $141,000 in this co-operative agreement, established in 2011 under the country’s Accelerated School Equalization Program. The initiative aims to increase access to education by giving children an opportunity to learn the formal skills they need to enter technical and industrial mining training programs. The renovations and school improvements are being carried out by local tradespeople and are scheduled to finish in October 2012;

- Provided funding to support the training of children and young entrepreneurs to help them develop their leadership and decision-making abilities in partnership with Junior Achievement Ecuador. In 2010, 185 schoolchildren benefited from a program reinforcing the advantages of an education. In 2011, 400 youth participated in a program focusing on the creation and development of a small business. In total, Kinross invested approximately $62,000;

- Supported the implementation of an education-levelling program for adults. The levelling program aims to raise the average level of education for people in the region from Grade 6 to 10, the minimum required to attend technical schools. In 2011, about
120 participants registered for classes, which commenced in June 2012. Kinross also has a levelling program for its employees, which we discuss in the Workplace section of this report;

- Provided funding to help about 200 local youth develop leadership, teamwork and decision-making skills, in partnership with Junior Achievement Ecuador. In a related program, Kinross supported an incentive program that facilitated the participation of four Los Encuentros high-school students in the 2011 International Entrepreneurship Forum (IEF) in Mexico. The IEF, a Junior Achievement Foundation program, brings together young people from Latin America to attend educational workshops, group discussions and other activities to promote entrepreneurship;

- Helped more than 4,100 children and youth from Los Encuentros Parish participate in a program called “Brilliant Vacations” in August 2011. The four-week event took place throughout 20 neighbourhoods and included recreational games, educational discussions about human rights and responsible mining, and values-based learning through the use of traditional games; and

- Developed two projects to support capacity building for adults. The first, in partnership with Junior Achievement, provided entrepreneurial skills training to 60 people to develop businesses in Los Encuentros. Kinross awarded seed capital to assist four graduates in their new enterprises. The second program was developed with O Trade and Market Access, a firm that helps companies build local capacity. Through their Local Community Procurement Program, 20 people successfully completed a business development pilot program, where they learned the skills to become competitive suppliers in their local economies. Nine of the 20 participants formed small businesses, and all nine are food suppliers to Kinross. Another two participants are completing business plans for dining establishments in Los Encuentros.

PROVIDING PROSPERITY THROUGH COFFEE EXPORTS

Kinross continues to support the APEOSAE organic coffee farmers’ association in the province of Zamora-Chinchipe near our FDN project. Since 2009, we have provided micro-loans, seed capital, technical assistance and infrastructure support. APEOSAE is reaping the rewards. By the end of 2011:

- Coffee production had increased to 3,000 quintales from 1,200 in 2009;
- APEOSAE-brewed coffee placed 2nd in Ecuador’s 2010 national “Golden Cup” competition;
- Three new products (banana chips, honey and fruit teas) had been introduced to APEOSAE’s organic product line; and
- The number of beneficiaries had increased to 450 from 412 in 2009.

“The social investment that Kinross has made in organic producers allows us to safeguard international certifications, generate new productive tests, and consolidate us as an agro-ecological group worldwide.” Porfirio Zhiñin, President of APEOSAE (2010-2011).

On March 20, 2011, representatives from Kinross in Ecuador and members of the local community celebrated the opening of a new chapel in Jardín del Cóndor, one of the communities located close to our FDN project. Kinross donated approximately $45,000 to construct the chapel. The successful construction of the Jardín del Cóndor chapel reflects the united effort between the community and the company. The opening was a very important event that was attended by the Bishop of the province.
THE ISSUE: Approximately 15 million people in more than 70 countries earn their livelihoods through artisanal and small-scale (ASM) gold mining. Because much of this activity is informal, conducted by unlicensed groups and individuals, there are no direct measures of gold produced by artisanals; however, estimates range from 8% to 15% of annual gold production worldwide. While the sector is an essential source of wealth in the informal economy, most ASM activities are unregulated and may be undertaken without adequate regard for the health and safety of the miners or for the environment. ASM also represents a potential liability to mining companies when these mining activities encroach on legally held concessions. How can large-scale mining companies and ASM miners co-exist in a safe and harmonious relationship?

THE KINROSS WAY
Artisanal mining (ASM) is not an issue at many of Kinross’ operations, but where it is, we look to minimize the potential for conflict, safeguard our employees, ensure the security and integrity of our operations, and respect both the legal and human rights of artisanal miners. Because the context is so different in each area, we take a site-specific approach. Kinross’ FDN development in southeast Ecuador, where informal mining has been underway for decades, offers a good case study of one site-specific approach.

Fruta del Norte (FDN) is a hardrock deposit quite unlike the alluvial deposits typically mined by ASM methods in Ecuador, and, prior to its discovery by Aurelian in 2006, the deposit was not known to or mined by artisanal miners. However, there were ASM activities on other areas of the concessions acquired by Aurelian in 2003, and those activities have been the subject of a long strategy of non-confrontation on the part of Kinross.

Appreciating the economic importance of ASM activities in the region, Kinross was interested in developing constructive and inclusive mechanisms to formalize the ASM operations, create a basis for productive relationships with the miners, and support the Ecuadorian government’s recently adopted regulations to guide a country-wide formalization process for mining activities.

After the Ecuadorean government enacted its new Mining Law and associated regulations in late 2009, Kinross worked with the Ministry for Non-renewable Natural Resources to develop a strategy for formalization of ASM activity on its concessions. In 2010, an aerial study of FDN found 42 unregistered surface, underground and alluvial operations and a significant inventory of equipment and structures to support them.

In consultation with government agencies and local authorities, public safety bodies, neighbour communities and the informal miners themselves,
Kinross developed a strategy founded on dialogue, respect for the law, human rights principles, and best international practices. Its goals were to:

- Identify and confirm ASM mining activities on Kinross concessions;
- Develop mechanisms to legalize artisanal and small-scale miners with a long-standing presence in the region; and
- Initiate training programs focused on legal and institutional frameworks, and health, safety and environmental considerations, among others.

The strategy has been successful in engaging multiple stakeholders to help address ASM mining issues, provide training and support for safer processes, and allow Kinross to develop its concessions unimpeded.

Between 2010 and mid-2012, Kinross and its stakeholders completed the following:

- Formalized eight artisanal mining operations, benefiting approximately 50 miners, with another 12 to 15 operations in different stages of formalization in 2012;
- Inspected 25 additional artisanal operations to assess the possibility of formalizing them;
- Relinquished 54 hectares of its Zarza concession for small-scale underground mines near FDN (retaining exploration rights for Kinross) and 24 hectares in its Victoriana concession for barite exploitation to allow small mining groups and associations to legally register and undertake operations on them;
- Developed a workshop on mining law and institutions for artisanal miners; and
- Implemented an environment, health and safety training workshop for artisanal miners.

In addition to Kinross’ initiatives, other companies have initiated formalization processes and the government is in the process to formalize about 1,000 artisanal miners to date in non-concession “free” areas in the province.

The successes to date in formalizing ASM within the FDN project area give rise to the potential for future challenges. These include consideration of miner certification, and how to deal with increased immigration of artisanal miners wishing to capitalize on the economic security of formalized operations, including those who may not be aligned with Kinross’ procedures and government mining policy. Kinross’ FDN Corporate Responsibility and Community Development teams are incorporating these concerns into their annual site strategies with the goal of developing participatory solutions as needed with government, local authorities and communities, and other stakeholders.

“If you are not regularized, you will not be able to work, so to avoid problems it is necessary to make all efforts to formalize your work, including contact and dialogue with the owners of the concessions and getting permission to work, as Kinross did with us, because there are many of our peers still working without permission”

Plinio Tapia, Artisanal Miner
RUSSIA

Kinross has a strong record of social investment in the communities that support our operations at Kupol and our development project in Dvoinoye. In the Chukotka region, where our mines are located, we support capacity development through our Kupol Foundation, with a focus on education, health and small business. In Magadan, home to more than 80% of our employees, and in Moscow, our activities focus on education and youth.

KUPOL FOUNDATION

The Kupol Foundation, established in 2009, provides funding for socio-economic initiatives in the Chukotka region. Under its governance structure, funding recommendations are made by an independent board of regional stakeholders, with one-third of the $250,000 annual budget awarded to initiatives that support the region’s indigenous people. Since its inaugural grants were made in 2009, the Foundation has awarded financial support to 26 projects. One of the first projects, a documentary film on the lives of reindeer herders, garnered several awards, including the 2011 Nika for Best Documentary (the Russian equivalent of an Oscar at the Academy of Motion Picture Arts and Sciences awards).

In 2011, the community representatives on the Foundation board selected several projects for funding, including:

• The preservation of indigenous peoples’ traditions, including seal hunting and bone-carving by the Novoye Chaplino, and the making and provision of fur clothing for herders in the Bilibino municipal district;
• Public health, including accessible dental care for herders, their families and residents in regional communities, and a health centre in Anadyr to promote exercise and wellness;
• An agri-business start-up that will provide fresh eggs from a mini-poultry farm near Anyusk; and
• A sports program developed by a Youth Sports School aimed at reviving downhill skiing.

In October 2011, a round table of area stakeholders was convened to review the Foundation’s activities and accomplishments to date. They provided recommendations on ways to increase engagement, especially among indigenous peoples, and maximize the Foundation’s benefits to the region. They also recommended that the Foundation undertake a number of its own projects in publishing, and in business and legal education.

The Foundation is exploring ways to ensure its projects are aligned with the social programs developed by regional agencies.
Outside of the Foundation structure, our Kupol mine contributed to the community in other areas in 2010 and 2011, including:

- Signed a socio-economic agreement in 2011 with the Chukotka government that helped finance a new swimming pool at a sports complex in Bilibino;
- Provided support to reindeer herding in Chukotka. Kinross representatives visit the herders regularly, delivering food, fuel and medical supplies, as well as treats for children at various locations, often several hundred kilometres from our operations; and
- Provided support for schoolchildren living in Ilirney, a community of 200 people located in the Chukotka region. In 2011, the team at Kupol hosted school-age winners of a community art contest.

In Magadan and Moscow, our initiatives aim to create an interest in mining careers and the development of sports activities for local youth. Among the initiatives supported:

- Committed $300,000 over three years to establish the Kinross Gold Professorship in Development Economics at the New Economic School in Moscow. Established in 1992, the New Economic School is ranked among the top economic departments in the world;
- Provided nine geology students from Anadyr College with two-to three-month long internships at our Kupol site in 2010 and 2011. Two students were offered employment by Kinross;
- Sponsored Moscow State University’s Geological Competition in 2011. More than 350 participants from 19 regions of Russia took part in a variety of scientific fields including geology, mineralogy and crystallography;
- Partnered with Magadan’s Department of Education and the Mayor’s Office to sponsor 15 awards for winners of mining-related disciplines in the educational Olympiads. In 2011, 350 schoolchildren from Magadan City and surrounding region took part;
- Unveiled a renovated multi-functional sports facility at a local school. Thanks to bringing in a new multi-functional sports surface and the installation of a new lighting system in 2011, students and local residents can now play soccer, basketball, hockey or volleyball both day and night. The project was a joint initiative between our Magadan office and the local government. Kinross contributed more than $68,000 to the project, helped get the centre’s equipment shipped by rail and sea, and provided the materials for the upgrades; and
- Continued sponsorship of the Tretyak Youth Hockey Tournament run by the Vladislav Tretyak Foundation and Sports Academy. Twelve youth teams from Europe, Russia and North America compete in this popular Moscow event. In 2010 and 2011, we continued support for the Foundation, which raises funds to support youth across the Russian Federation. In 2011, we co-sponsored the 10th Annual Canada Eurasia Russia Business Association (CERBA) Charity Auction in Moscow, which raised more than $212,000 for the Foundation.

Employees at Kinross’ Magadan office volunteer their time to Special Childhood, a program of the Magadan Handicapped Society. They participate in drawing and training classes, visit children at home and help arrange holidays for the youngsters.
IN THE COMMUNITY

NORTH AMERICA

Our mines at Fort Knox in Alaska, Kettle River-Buckhorn in Washington and Round Mountain in Nevada, as well as at our reclamation sites, are integral parts of their communities and go to great lengths to be good neighbours.

Fort Knox

In 2011, Kinross’ Fort Knox operation began development of a site donation strategy with the goals of: 1) applying its support more strategically, 2) developing long-term partnerships and 3) fully engaging employees in its social programs. The Fort Knox mine is a major contributor to the community of Fairbanks. Among the programs we supported in 2010 and 2011 were the following:

- Delivered an expanded educational outreach program, meeting with high-school career counsellors, partnering in job fair and career education opportunities to help youth identify potential career paths;
- Donated a $1-million endowment over three years to provide advanced training for mining engineering students at the University of Alaska Fairbanks (UAF). Students and faculty at UAF collaborate with our Fort Knox mine on research projects, and Fort Knox employees regularly volunteer as members of UAF advisory boards;
- Continued its sponsorship of such economic and cultural initiatives as the Alaska Miners Association annual spring conference, Fort Knox’s Resource Development Council conference and the Golden Days parade; and
- Re-launched Fort Knox’s popular mine tours. Six public tours for 300 people were held in the summers of 2010 and 2011. Under a new partnership, registered guests donated $5 to the Fairbanks Community Food Bank for their transportation on the tour buses. In both years, tours were quickly filled and, due to the generosity of participants who often made donations greater than the requested amount, the Food Bank raised approximately $7,000 for 2010 and 2011.

SUPPORTING CHARITIES IN MOSCOW

In 2010, our Moscow office sponsored and participated in the city’s Charitable Christmas Bazaar. The event sells crafts made by children, and proceeds support programs that help children in need. For the first time, Kinross presented crafts made by children from Chukotka, the region where our Kupol mine is located. The money collected by Kinross was donated to an orphanage in Bilibino, a town in the Russian Far East, northeast of Kupol.
Kettle River-Buckhorn
Kinross formed a community investment committee of employees and developed a new community investment strategy in 2011. Through the strategy, we continue to support education, youth activities, and the cultural events that define our communities. We are also seeking to expand long-term, sustainable economic opportunities for local residents and partnerships that focus on infrastructure improvements. Our Kettle River-Buckhorn site provided community support through a variety of initiatives, including:

• Provided $50,000 in financial support to the Ferry County Public Hospital District in 2010. The contribution, together with a second $50,000 donation in 2011, to match community fundraising efforts, helped to provide capital upgrades to the local health facility;

• Donated approximately $20,000 to both the Republic and Curlew school districts for technology upgrades. Kinross’ IT team conducted assessments, reviewing infrastructure, hardware, and software, and completed five-year technology plans for each school. The team also donated time and expertise to assist with installation of equipment and software;

• Provided $24,000 to the Republic School District to help refurbish the children’s playground. The school district playground committee raised another $12,000 to complete funding for phase one of a three-phase initiative. New playground equipment was installed and plans are underway to upgrade other elements of the play area;

• Implemented a “good neighbour” donation program, where we donate $1,000 to multiple local businesses in the area each December. Business owners can use the funds at their discretion to provide store credit for customers who they know are suffering difficult times. This not only provides a boost to the local economy, but also directly helps local people in need. The program has been extremely well received and successful;

• In 2010, Kettle River-Buckhorn began an annual Haul Route Litter Cleanup day, where around 40 employees volunteer to clean over 60 miles of roadside along the haul route from the mine to the mill. Each year, we pick up over 2,000 pounds of litter and separate the aluminum cans to donate to a local youth group to recycle as a fundraiser; and

• Each year, Kettle River-Buckhorn works to educate the community on responsible mining and conservation practices at various community events, including Arbor Day, Conservation Fair, Earth Day, Prospectors’ Days and local fairs.

Round Mountain
As the leading employer in the Big Smoky Valley, the remote rural region where our Round Mountain mine is located, Kinross’ financial and volunteer support provides essential resources for education, health and youth initiatives. The Round Mountain expansion and Gold Hill are expected to extend the life of mine to 2019, with production expected to continue from stockpiled ore until 2021 and from the leach pad until 2025. With this longer horizon, Kinross undertook a study to better understand the effectiveness of its donation strategy, with a goal of using its financial support to implement programs in the near term that will enhance the viability of the community after the mine closes. Contributions to the community include:

• Initiated a mentoring program, delivered by Round Mountain employees, directed to high-school students, emphasizing the importance of post-secondary education, as well as teaching essential career skills including resume writing and interview techniques. Employees also continue to contribute their time to coaching football, basketball and track and field;

• Funded the establishment of a new child-care centre. The new 6,000 square foot (560 square metre) space provides dedicated care rooms for babies, toddlers and preschool-age children. The
centre also has a fully equipped kitchen, computer stations, a library and outdoor spaces;

- Partnered with local American Legion Auxiliary members to recycle aluminum cans while supporting the community. Cans are collected at locations around the mine site, then transferred off site by Round Mountain staff. Local Auxiliary members transport them to public recycling depots. The funds raised are used to support the Auxiliary’s program to buy toiletries and gifts for veterans living primarily in long-term care or in hospital; and

- As the highest private sector taxpayer in Nye County, Round Mountain remained a significant contributor to funding of schools, road maintenance, libraries, and supports grants for parks and recreational facilities.

**Reclamation Sites**

At our reclamation sites, we work in consultation with federal, state and local officials, neighbouring landowners, NGOs and communities to develop value-creating uses for former mine sites. In 2011, our Mineral Hill reclamation site received the U.S. Bureau of Land Management’s Hardrock Mineral Environmental Award, honouring best practice in mine reclamation. For more information, see Case Study 11: Applying Best Practices in Reclamation and Closure at Mineral Hill.

In 2010, a team of seven employees at our Reno, Nevada office formalized a strategy for community initiatives. In 2011, the office supported 16 organizations with financial donations totaling more than $65,000, conducted three community cleanups, and participated in local food and toy drives.

In 2011, employees from our DeLamar reclamation site in Idaho participated in a two-day educational event for approximately 250 students from surrounding rural areas. At our Kinross booth, elementary schoolchildren students learned about geology, mining processes and Kinross’ operations, and had the opportunity to pan for gold.

**WEST AFRICA**

When Kinross acquired Red Back Mining in 2010, there were community investment programs already in place at both the Chirano mine in Ghana, and the Tasiast mine in Mauritania. By implementing Kinross’ SRP standard at these sites, we have been engaging with local stakeholders to identify opportunities to partner with government, communities and NGOs to implement programs that build on the economic benefits generated by our mining activities and contribute to long-term socio-economic development. Our initiatives at Chirano focus on education, health and sanitation, infrastructure and cultural activities. At Tasiast, we are focusing on education and job training, health care and health infrastructure and sports.

**Chirano**

Chirano has made significant contributions to the local communities, including construction of schools, water bores, roads, and common facilities. Many of these programs date back to an agreement reached with the communities at the time of mine construction, and have been fully implemented. With those measures complete, we are now reaching out to local stakeholders to develop a Corporate Social Responsibility Agreement that will outline objectives, plans, and actions going forward. Meanwhile, some of the initiatives currently underway include:

- Invested approximately $5.6 million in a malaria control program since 2009. Malaria is the No. 1 killer of children and pregnant women in Africa. By the end of 2011, the incidence rate of malaria in the beneficiary communities
was reduced by 53%, and the incidence rate of malaria cases in Chirano’s workforce was reduced by 81%. To learn more, see Case Study 6: The Chirano Malaria Control Program;

- Chirano has supported the Tano Suraw Agribusiness Growth Initiative (TAGI), a community-based integrated agriculture and rural economic enhancement project. A significant majority of individuals within the mine’s footprint are small-scale farmers, and TAGI aims to increase agricultural yields (and, hence, incomes) through targeting training, access to an input credit facility, micro-irrigation, and linkages to markets. TAGI aims to reach 1,500 farmers over the term of the project;

- Initiated a computer program at six local schools, providing equipment, training and maintenance support.

We provided much-needed computer labs at three schools and recruited an IT specialist to manage the labs;

- Expanded our potable water and sanitation program to the communities in the catchment area of the mine. Potable water, aimed at improving the health of the community, is now provided to all of the communities within the footprint of the mine, including Sorano “A”, Anyinasie, Kwawkrom, Akoti, Etewo, Paboase and Kwaninkrom;

- Connected the communities of Akoti and Etewo to the national electricity grid. This electrification project has had a tremendous positive impact on the socio-economic quality of life, enabling people to watch television, listen to radio, and undertake various domestic and commercial activities;

- Constructed three school blocks for Akoti, Etwebo and Paboase. In addition to the school buildings, the mine has provided an allowance to teachers to conduct extra classes and improve the performance of pupils in the BECE examination;

- Provided infrastructure upgrades, including a new concrete bridge in Akasso to replace an old wooden bridge that was hampering vehicular traffic; and

- Provided infrastructure support for upgrades at Paboase-Ntrentreso and for roadwork in Chirano-Subri Nkwanta.

Kinross attended and supported a number of annual cultural festivals in the region near our Chirano operations.
**Tasiast**

Our Tasiast team is implementing a community investment program that is shifting its focus from an ad hoc to a strategic approach, while balancing the most urgent near-term needs of local residents with a long-term sustainable community investment strategy. Near-term and long-term initiatives include the following:

- Announced a $10-million investment over three years to develop a mining school in Mauritania. The goal of this project is to build long-term capacity in the mining industry to support the operations of Kinross and other mining companies. For more information on this project, see Case Study 4: Developing a Skilled Workforce in Mauritania;

- Committed $2.5 million to build and help equip a new Medical Emergency Centre in Mauritania. The emergency centre will provide much-needed additional health care infrastructure for the country. It will serve the residents of Nouakchott (a city of approximately one million), as well as people from other parts of the country who largely depend on Nouakchott as a centre for health care services and resources;

- Continued to sponsor 213 orphans at two local orphanages in Nouakchott. During 2010 and 2011, provided food, clothing and training to 133 of the children through our sponsorship of the Centre de Protection et Intégration Sociale des Enfants (CPISE). We also provide monetary support for the school education for 80 of the 213 children through the NGO Besma;

- Supported local communities during the Muslim holy month of Ramadan by distributing 10 tons of food to 60 families in the village of Dawass, Imkebden and N’talve, all located within a radius of 30 kilometres from Tasiast. Each family in the village received rice, wheat flour, dates, milk and oil;

- Built water reservoirs and provided water supply near the mine at Dawass and Imkebden and in the communities of El Asmaa, Lebeidhat and Bergeimat;

- Built a health centre in the village of El Asmaa and equipped it in 2011; and

- Provided access to site medical facilities for emergency care and basic health care for populations living around the Tasiast mine.

In November 2011, Kinross sponsored the second annual international marathon at Nouadhibou. Sixty marathon runners from 11 countries in four continents ran the full marathon. In addition, approximately 1,200 participants, including professional cyclists, riders with disabilities, and youth runners took part in a series of other circuit events.
Kinross’ corporate office employees are making an important contribution to their local community through the efforts of the Social Committee (SC). Our corporate SC raises funds by holding “Jeans & Sneakers Days” every Friday. Corporate office employees pay $5 for the opportunity to dress casually and wear their jeans and or/sneakers to work for the day. Since the inception of the SC in January 2010, and with the widespread and enthusiastic support of our corporate office employees, approximately $85,000 has been raised. The SC endeavours to choose charities that benefit the disadvantaged, education, health and the environment and try to pick organizations that are local. The proceeds have been donated to a wide range of local charities including:

- The Heart and Stroke Foundation
- Camp Oochigeas
- Autism Ontario
- Right to Play
- Earth Week – Love Trees
- Daily Bread Food Bank

Alongside the weekly fundraising, other SC-organized events have helped Kinross employees donate non-cash items to the Bay Street Suit Challenge, Black River Public School, the Yonge Street Mission’s “Back to School Drive” and the Daily Bread Food Bank. Each year, our corporate office also participates in the “Adopt-a-Family Program” by donating monies to give local families. Monies are also raised via the SC, and teams of employees volunteer to shop, wrap and deliver gifts for distribution.
Environmental responsibility

OUR COMMITMENT

As responsible miners, we are committed to protect biodiversity, air and water quality, and to meet or exceed environmental regulatory requirements wherever we operate during all stages of a mine’s life cycle.

This commitment is enshrined in our Ten Guiding Principles for Corporate Responsibility and in our corporate Environmental Policy, which has been reviewed and updated since the publication of our 2009 CR report. Responsibility for environmental protection is overseen by the Board of Directors’ Corporate Responsibility Committee and depends on the dedicated effort of everyone in the organization. To reinforce this, employees at our sites receive annual mandatory environmental training. In 2011, compliance training was delivered to supervisors at our North American operations and is scheduled for completion in all regions during 2012.

To support our commitment, all sites are routinely audited against corporate standards and compliance requirements. Our corporate environmental governance programs are embodied within Kinross’ CRMS. They include environmental management standards, which provide clear direction regarding performance expectations and minimum design and operating requirements, an audit program, metrics, and reporting requirements. Our CRMS is modelled on ISO 14001 and other internationally recognized standards as well as best practices from around the world. Our sites at La Coipa and Paracatu are also ISO 14001 certified. To learn more about our CRMS, visit Managing Corporate Responsibility.

In addition to systematic performance reporting to senior management, the Senior Leadership Team and the Board of Directors, environmental performance is an important factor in the determination of annual compensation.

MARIA, Refinery Chief, Chile
PERFORMANCE AND GOALS

Performance highlights in 2010 and 2011 include the following:

• Updated environmental management standards in a number of areas, including air emissions, water, tailings and waste, and biological resources;
• Advanced the integration of Kinross’ West African operations to align them to Kinross’ corporate environmental standards;
• Provided compliance training to all sites in North America;
• Completed engineered risk assessments in 2010 at Fort Knox and in 2011 at Paracatu, Tasiast, Kupol and Kettle River-Buckhorn;
• Completed independent technical reviews of tailings storage facilities in 2010 at Kettle River-Buckhorn, Round Mountain, Paracatu and Crixás, and in 2011 at Paracatu, Kupol and Fort Knox;
• Carried out integrated environment, health and safety audits in 2010 at La Coipa, DeLamar, Maricunga and Fruta del Norte, and in 2011 at Fruta del Norte, Chirano, Mineral Hill, Tasiast, Kupol, Paracatu, Fort Knox, and Kettle River-Buckhorn;
• Improved Carbon Disclosure Project scoring, placing us in the top 10% of Canadian reporting companies and earning us leadership recognition for our transparency and comprehensive disclosure of greenhouse gas emissions;
• Received Cyanide Code Certification at La Coipa in 2011, meeting our goal of having all operating sites certified. Also Fort Knox and Round Mountain achieved recertification in 2011 and Paracatu was recertified in 2012. With the acquisition of Red Back Mining in 2010, two additional operations in West Africa have been added to our future certification goal;
• Completed a Global Energy Assessment for all operations in 2010. Continued to assess opportunities for energy strategies that focus on both optimization of supply and through improvements in energy efficiency;
• Received an environmental licence for mining exploration at Fruta del Norte in Ecuador, becoming the first mining company in the country to receive such a licence under the terms of Ecuador’s new Mining Law and related regulations; and
• Announced the Kinross Gold Chair in Environmental Governance at the University of Guelph, funded by a $1 million contribution to the University’s BetterPlanet Project.

2012 GOALS

• Provide compliance training at all sites outside North America.
• Update global environmental strategy.
• Obtain Cyanide Code certification at Chirano.
• Obtain approved EIA for Lobo-Marte project.
• Obtain approved Phase 2 EIA for Tasiast expansion.
• Implement Tasiast Environmental Management System.
• Conduct global Environment and Permitting Workshop, in Copiapó, Chile.
• Carry out tailings reviews at Tasiast, Chirano and Paracatu.
Kinross’ first environmental priority is to maintain compliance with all environmental laws and regulations.

At each of our operations, this means tracking a complex variety of permit conditions, standing environmental regulations, and reporting deadlines. To manage this, each site maintains a compliance register that contains all specific requirements and assigns responsibilities for all tasks required to maintain compliance with those requirements. Each site’s compliance record directly affects its annual performance evaluation.

During 2010 and 2011, two Notices of Violation (NOVs) and associated fines were received, totalling $24,700. At the time of publication of this report in 2012, the Washington State Department of Ecology (WDOE) issued a penalty of $395,000 to Crown Resources Corporation, a subsidiary of Kinross, for water quality issues in 2011 and 2012 at the Kettle River-Buckhorn Mine. The Company has appealed the penalty and disputes certain findings of the department.

To reinforce our compliance commitment, in 2011 we developed an advanced training course for site personnel. The training was conducted at all sites in North America, and covered Kinross’ compliance expectations, compliance management systems, and individual responsibilities regarding compliance. During 2012, the training is being conducted at all other Kinross sites.

In addition, in 2012 we are trialing new leading indicator performance metrics emphasizing compliance, which we plan to implement in 2013.

We exercise utmost vigilance in protecting the environment and seek ways to minimize our environmental footprint wherever we operate. We will always meet and where possible exceed regulatory requirements in our environmental performance.

TEN GUIDING PRINCIPLES FOR CORPORATE RESPONSIBILITY
WATER MANAGEMENT

Water is vital to life as well as to our mining operations. We recognize that our licence to operate depends upon our ability to demonstrate our ongoing responsible stewardship of this precious resource. For this reason, we have established high standards for performance and reporting at our sites and are committed to being a leader in responsible water management.

Kinross’ Water Management Standard underscores our commitment. It requires that potential impacts of our activities on water resources be carefully analyzed and considered during project planning and throughout the mine life cycle. Reviewed and strengthened in 2011, the Water Management Standard requires that controls include management plans, comprehensive and current water balance models, and ongoing surface and groundwater monitoring programs. Properly designed and implemented, these controls aim to ensure that water quality and supply are protected and that site discharges, if required, are controlled and meet all regulatory requirements. A set of water conservation practices are maintained for consideration by new and existing operations. Water quality objectives are established by individual operations and projects, guided by our corporate policy and standards.

Recognizing that potential water impacts by mining operations are a concern for surrounding communities and other stakeholders, Kinross reaches out early to communities and stakeholders to establish an ongoing dialogue regarding potential impacts and management requirements. Through this ongoing engagement, Kinross aims to demonstrate its commitment to manage water use and ensure that impacts on water quality and supply are not significant.

Kinross’ total water withdrawal has increased due to increased production. Compared with 2010, our water withdrawal increased from 42.3 million cubic metres to 56.0 million cubic metres, an increase of 33%. Incorporation of Tasiast and Chirano accounts for 5.8 million cubic metres, or 42% of the increase. The remainder of the increase was at Paracatu, where in November 2010 the Eustaquio dam was completed and began filling, increasing the amount of precipitation collected at Paracatu by 8.7 million cubic metres. This increased collection of precipitation at Paracatu due to filling of the Eustaquio dam resulted in a slight (3%) increase in our intensity of water use to 351 litres per tonne, compared with the three-year rolling average of 342 litres per tonne.

Kinross is focused on managing our water footprint, the water captured on our mining operations from precipitation or ground water plus water brought to our operations from outside. Water recycling plays an important part in our efforts.
During 2011 our water recycling rate, calculated against our total water footprint which we call ‘water withdrawal’, was 321%, down from 424% in 2010. This downward trend reflects the addition of Tasiast and Chirano, as well as the storage of additional water in the Eustaquio tailings dam at Paracatu. When improved water management practices are implemented at both of these sites, we expect our recycle rate to return to historic levels.

**MAINTAINING WATER QUALITY AT KETTLE RIVER-BUCKHORN**

We continue to be strongly committed to protecting water quality and working with the regulatory authorities to maintain the highest environmental standards at our Kettle River-Buckhorn mine in the U.S. As reported in our previous CR report, in August 2010, the Kettle River-Buckhorn mine reported that it had notified the Washington State Department of Ecology (WDOE) of alleged irregularities in the operation of the water treatment plant at the mine. Kinross’ investigation determined that, in mid 2009, the Buckhorn water treatment plant was operated in a manner such that compliance samples were not representative of effluent being discharged from the plant. The results of the review were provided to the WDOE and in November 2010 the Department levied a fine of $22,000 against the Company. At the time, the Department of Ecology noted the positive actions of the Company to self-report the issues. Meanwhile, through the end of 2011, the mine had achieved 15 months in full compliance with discharge water standards.

Subsequently, other water quality challenges have occurred at Buckhorn. In the spring of 2011, when extremely high snowmelt triggered heavy flooding, the WDOE raised questions regarding the Company's ability to fully capture and treat mine-impacted groundwater for a short period of time, and Kettle River-Buckhorn received an Administrative Order. No significant environmental impacts were identified, and the Company took several steps to improve the water management system, including installation of an additional monitoring well, lining of the mine sumps to reduce infiltration from the mine, changes in snow management, and seasonal doubling of water treatment capacity. Kinross also prepared a Water Quality Monitoring Assurance Plan defining extensive water sampling and additional reporting for the 2012 spring runoff.

Despite these efforts, at the time of publication of this report, the WDOE issued a penalty of $395,000 to Crown Resources Corp. for water quality issues in 2011 and 2012 at the Buckhorn mine. The Company has appealed the penalty and disputes certain findings of the Department. In the meantime, the Company will continue to work with the WDOE to address water quality issues at Buckhorn.

ADDRESSING WETLAND RECOVERY AT MARICUNGA

Over the past several years, Kinross has kept the Chilean regulatory agencies informed regarding the deteriorating condition of the Pantanillo bofedal, a 9.5 hectare wetland located near our Maricunga mine in the high Andes of Chile’s Region III. Kinross maintains two active pumping wells in the vicinity of the bofedal which provide water to the Maricunga operation. As part of its 1994 environmental authorization, the Company is required to monitor the status and health of the bofedal, and to take remedial action by augmenting water flow if any change is detected. Monitoring of the bofedal in recent years has shown a lowering of groundwater levels. Based on the recommendations of a 2010 study by the University of La Serena, surface irrigation was commenced in 2010 and continued into 2012. Unfortunately, this approach has not been successful and therefore it will be necessary to undertake a new and revised recovery plan.

In 2010, Maricunga undertook a study of the water supply system which identified certain optimization opportunities. Based upon this study, Maricunga has set aggressive water management objectives including operating, maintenance and repair of the water supply system and other water management measures. Sections of the water supply pipeline have been replaced, operating procedures have been modified and a schedule for additional water pipeline replacement has been developed.

At the time of publishing this report, Kinross was planning to meet with regulatory authorities to present its new recovery plan for the bofedal. The Company has now proposed a two-pronged plan of groundwater recharge measures and further bofedal water augmentation and rehabilitation. To support additional groundwater recharge, installation of 1,100 metres of snow fences has been completed in strategic areas within the groundwater basin. See Case Study 9: Harvesting Water in Chile’s Atacama Desert.

The Company has also proposed a multi-part bofedal rehabilitation program which includes additional bofedal water augmentation measures and a revegetation program. To support the additional bofedal water augmentation program, and more globally, the groundwater recharge program, installation of several additional snow fences is planned before next winter.

Kinross is strongly committed to meet its responsibilities for the long-term challenge of this bofedal rehabilitation.
PROTECTING WATER SUPPLY

With approximately 24% of our production from operations in water-stressed regions (Chile and Mauritania), Kinross is acutely aware of the value of water. To avoid competing with domestic and agricultural users, our operations in these regions rely on water that is either non-potable and/or is from isolated water basins having no agriculture or domestic users. In addition, we reduce consumption of water by recycling, such as the dry-stack tailings at La Coipa.

Water usage is monitored at each operation, and opportunities for conservation are routinely evaluated as part of our continuous improvement efforts. In 2010, following a comprehensive audit at Maricunga, we initiated efforts to improve flow monitoring, tank repair and pipe replacement. These measures are expected to improve water management at the mine.

Prior to mine development, our water footprint is assessed and steps taken to ensure that impacts on water supply are minimized. This includes both minimizing our footprint where possible by diverting water unaffected by mining around our operations, as well as implementing systems to recycle water used in processing. All of our milling and heap leach process operations are designed to re-circulate water. In high precipitation areas, excess water is treated to ensure that all water quality standards are met prior to being discharged.

In early 2010, our La Coipa operation received a GE Ecomagination Leadership Award for reduced water use in one of the most water-stressed areas of Chile. La Coipa successfully reduced the amount of water used for dust control by nearly two-thirds, while simultaneously reducing dust emissions by more than half. As a result, the mine conserves approximately 45 million litres of water annually.

REMEDIATING GROUNDWATER AT LA COIPA

As we have described in prior reports, Kinross continues its commitment to restoring groundwater quality at La Coipa in Chile. In the mid-1990s, prior to Kinross’ ownership of La Coipa, monitoring indicated that mercury, which occurs naturally in the orebody, was increasing in groundwater along the Quebrada La Coipa near the site. Kinross, which since 2007 has had a 100% ownership stake in La Coipa, maintains extensive capture, containment and treatment systems to control and reduce the mercury plume. The Company is actively exploring options to accelerate remediation, including bio-treatment and accelerated flushing. The mine continues to successfully contain the plume on the site and reduce plume concentrations.
In 2011, Kinross was recognized by Benchmarking Brazil as one of the best corporate environmental managers in the country for its contributions to the revitalization and preservation of Rico Creek in Paracatu. Benchmarking Brazil is an independent initiative that promotes sustainability through the adoption of best practice, facilitated by the organization’s extensive bank of sustainability case studies.

Kinross has made investments of more than $5 million to reclaim Rico Creek and repair environmental damage caused by historic artisanal mining. In partnership with Movimento Verde de Paracatu (Paracatu Green Movement), a local not-for-profit, and the Municipal Environment Secretary, Kinross has cleared 33 hectares of debris, planted grass and 18,000 tree seedlings; and launched environmental education programs. Kinross also funded the creation of a 15,000 square metre recreational park and playground along Rico Creek, which opened in July 2011.
CASE STUDY: 09 HARVESTING WATER IN CHILE’S ATACAMA DESERT

THE CHALLENGE: Water is vital for life in all its forms. It’s an essential resource for the communities in which our mines operate and for the livelihoods of the people who live in them. It’s often the vital factor controlling biological habitat type and quality. Water is also critical for mining processes – from ore processing to dust suppression to the daily needs of employees. In what ways can mining companies safeguard water resources so that they continue to be available to meet the various needs of multiple users?

THE KINROSS WAY

Kinross is committed to protecting water resources in the regions where we operate. We recognize that the value of water far exceeds its monetary cost.

All of our sites are required to maintain a comprehensive account of their water balance. Reported quarterly, tracking an accurate water balance is an important performance metric for all of our operations. To learn more about our water strategy and performance, see our discussion on Water Management.

Kinross’ approach recognizes that water management must be tailored to fit local environmental conditions and user requirements, and therefore must be site specific. Our work in Chile near our Maricunga and La Coipa mines provides one example of this approach.

Our Maricunga and La Coipa mines are located approximately 4,000 metres above sea level in the Atacama Desert, one of the driest places on Earth. In this water-stressed area, we have undertaken extensive studies to better understand the hydrologic cycle in the area, implemented measures to improve water efficiency and, in co-operation with local water authorities, worked to improve water resource stewardship. Our efforts are improving the overall understanding of this sensitive ecosystem and the hydrologic system it relies upon.

Maricunga and La Coipa draw water from an isolated closed basin where water collects and is contained, with no waterway to flow out. While the water in this basin is not accessible to nearby communities, it is a vital factor in the region’s biological ecosystems because it supports wetlands that are vital habitat for wildlife including vicuña, flamingo and guanaco.

See Case Study 10: Ecosystem Protection at Lobo-Marte.

The challenge is recharging the aquifer in an environment where annual precipitation is approximately 150 millimetres, and comes as snow. Studies indicated that between 60% and 90% of the snow sublimates, a process whereby the snow evaporates into the air rather than melting and contributing to surface and groundwater.

In a pilot project begun in 2011, we are looking at increasing water supply by improving snowmelt infiltration into groundwater. In 2011, Kinross installed two 100-metre lines of wooden snow fencing at Maricunga and Lobo-Marte, the type commonly used to keep roads clear, in an area where we could measure the effect on the groundwater system. The objective was to capture large amounts of snow, which would otherwise mostly be lost to sublimation, in drifts along the fencing so that when these dense
CASE STUDY 09: HARVESTING WATER IN CHILE’S ATACAMA DESERT (continued)

accumulations melt in the spring, they will recharge the groundwater aquifer.

Preliminary results from the 2011 pilot were promising. The fences created snow drifts several metres deep and the accumulated snow contributed to an increase in groundwater recharge during the spring melt. Kinross expanded the test in 2012 to gather additional data and further prove the concept. If successful, Kinross is optimistic that carefully installed snowfences can result in meaningful contributions to the local water supply. Looking ahead, Kinross and the Chilean National Irrigation Commission are exploring a joint research project to test the efficacy of snow harvesting and even evaluate its potential in other water-stressed areas.

SPILLS AND RELEASES

All Kinross operations are designed and operated to minimize the potential consequences associated with accidental chemical spills and unplanned release of untreated water.

Our operations are designed with secondary containments with sufficient storage capacity to prevent the release of accidental spillage or unplanned releases associated with storm events. To ensure that adequate secondary containment is available should an upset or incident occur, all mines are required to maintain accurate, up-to-date, predictive water balance models. Should an incident occur, emergency plans are in place to enable our operations to respond quickly and effectively to protect personnel and the environment, reduce the size and potential consequences of the incident, and promptly clean up and remediate the area. We have established mutual aid alliances with local and regional emergency response services to provide valuable ongoing experience and training for our emergency personnel as well as improving our ability to respond to chemical transport incidents outside our sites.

In 2010 and 2011, Kinross experienced a total of 17 spills and releases. Six were spills associated with vehicles. All were quickly contained and resulted in no significant impact. One spill involved tailings and occurred when a pipe broke during the construction of a new tailings facility at Chirano. The spill was quickly contained with no measurable impact off site.
AIRC EMISSIONS

We make considerable effort to limit, control, and monitor the air emissions from our sites.

Every Kinross operation has been designed so that air emissions will not have a significant impact on air quality. Many best practices have been implemented at our operations to control air emissions.

Dust produced from road travel as well as mining and ore crushing is the largest air emission from our operations. It is controlled with surfactants and water sprays, as well as bag houses at point sources. Our proactive efforts to control dust emissions provide a visual first impression of Kinross’ commitment to operational excellence.

Opacity, which refers to the degree that dust obscures visibility, is one way to visually measure non-point source dust emissions. In 2011, we updated our air emissions standard, incorporating a requirement for opacity monitoring. The standard embraces our North American best practices and sets a corporate-wide goal of maintaining our particulate emissions below 20% opacity. Many Kinross employees have been trained to visually measure opacity and recognize when additional particulate emissions controls, which include roadway watering and driving speed reductions, may be required.

Typically, our emissions from thermal processes associated with refining, carbon regeneration, and retorting are not visible. Kinross routinely tests these point sources to determine emissions levels and the adequacy of existing controls. While testing typically reveals very low emissions of metals, in 2008, we identified an opportunity to reduce mercury emissions at La Coipa. La Coipa has subsequently implemented a number of emissions controls and has seen a steady decline in annual emissions. In 2011, La Coipa’s annual mercury emissions were determined to be approximately 17 kilograms, well below legal requirements and in line with industry best practice.

Other common air emissions are the result of hydrocarbon combustion in trucks and other heavy equipment, mobile generators, and other power generation sources. These emissions are primarily carbon dioxide ($CO_2$), a major greenhouse gas. See the discussion in Energy and Climate Change.
ENERGY AND CLIMATE CHANGE

Our expanded operations and growth in production bring with them increased energy demand.

Since 2008, Kinross’ total tonnes of ore processed has increased by 73%. During that time period, largely in response to higher gold prices, lower ore grades have been processed, requiring larger energy inputs and resulting in increased emissions of CO₂. In 2010, Kinross’ acquisition of Red Back Mining brought two new operating mines in West Africa to Kinross’ portfolio, increasing production for part of 2010 and the full-year 2011, as well as increasing total energy consumption and CO₂ emissions.

Energy consumption increased by 12% in 2010 over 2009, and by 28% in 2011 over 2010, including increases in electricity consumption of 10% in 2010 and 9% in 2011. CO₂ emissions resulting from direct energy consumption increased by 13% in 2010 over 2009, and by 44% in 2011 over 2010. The inclusion of the West African sites represents 90% of the total increase. Indirect emissions increased by 8% in 2010 from 2009, and by 11% in 2011 over the previous year: arising from purchased electricity at the Chirano mine.

Energy consumption at Kinross represents approximately 25% of our total cash cost of production in 2011, second only to labour costs. Over 2010 and 2011, we spent $356 million on electricity and $299 million on diesel fuel, the two sources of power that also produce the majority of our direct and indirect greenhouse gas emissions. To reduce our environmental impact and to remain competitive, we must continue to advance our efforts to reduce energy consumption and improve energy efficiency wherever practical.

For additional information, view Kinross’ submission to the Carbon Disclosure Project at www.cdproject.net
In our 2009 Corporate Responsibility Report, Kinross stated its intention to develop a climate change strategy. As a first step, in 2010 we began to integrate the potential physical risks from climate change into our enterprise risk management system. Starting with a third-party review of regional climate change impacts on temperature, precipitation, and extreme weather, we identified potential climate-related scenarios that might affect our operations. Those risks were then evaluated at the regional and site levels, and action plans developed for risks such as potential effects of permafrost thaw on ground conditions at Kupol; changes in the operating season for the Kupol winter road; and water scarcity in water-stressed regions in Chile. In each of these areas, operational programs are under consideration or already in place (ground temperature monitoring; evaluation of all-season road construction; and water conservation measures, respectively).

We also completed a Global Energy Assessment and life-of-mine greenhouse gas/energy projection for all of our operations and projects. Going forward, our greenhouse gas (GHG) emissions and energy use will depend, to a large degree, on the sequencing and timing of our development projects at Tasiast, Lobo-Marte and FDN, and the project capital optimization review process that we announced in January 2012.

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• At existing operations, our focus is on high-use and high-risk sites to establish energy strategies focused on both optimizing supply and reducing consumption. We are focusing on new opportunities and initiatives already underway;

• At our major growth projects at Tasiast, Lobo-Marte and FDN, we are reviewing energy supplies and opportunities to reduce consumption as part of our capital optimization program. Opportunities include alternative processing methods that require less energy per unit of production, other conventional power options such as natural gas or electricity, and a review of alternative and/or renewable energy options where there are resources available; and

• As part of the EIA required for the approval and permitting of new mine projects, we are assessing climate change impacts and strategies as a key part of the EIA process.

To support our strategy, we created and filled two new roles in the first half of 2012. Our new Director, Energy Strategy will focus on optimizing energy supply, and our new Manager, Global Energy Management will be dedicated to improving energy efficiency.
Meanwhile, we continue efforts to quantify viable renewable energy resources at our sites. Since we first began our Renewable and Alternative Energy working group in 2004, Kinross has evaluated several potential opportunities, and will continue to review opportunities as we develop our projects.

**RENEWABLE AND ALTERNATIVE ENERGY OPPORTUNITIES**

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<td>• Micro-hydro not viable</td>
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**Process Efficiency Measures**

Kinross’ commitment to continuous improvement has helped us identify a number of process initiatives to increase energy efficiency and reduce cost. Following are a few of our 2010 and 2011 initiatives:

- In 2010, La Coipa installed energy-efficient lighting throughout its operation, a first for any mine in the Atacama region of Chile. The operation realized savings of 1.7 megawatt-hours in the first year. Our continuous improvement team in Chile plans to meet with other Chilean mines to share best practices for energy conservation;
- At Fort Knox, an improved SAG mill drive reduced maintenance and lowered energy consumption by 9%. In 2010, the operation saved 5,500 megawatt-hours of power for a total savings of $769,600;
- At Kupol, where temperatures can drop to -50 Celsius, eight glycol pumps are used to heat buildings and walkways. In 2010, variable frequency drives were installed on the pumps, resulting in energy savings of 750 megawatt-hours per year, valued at approximately $250,000. The initiative had a payback period of less than one year; and
- At La Coipa, major repairs to the compressed air network reduced leaks in the system and resulted in significant reductions in energy use of 2,900 megawatt-hours per year and of 1,363 CO₂ equivalent in indirect emissions and $551,000.
WASTE MANAGEMENT

Our mining operations produce mineral wastes and a comparatively small amount of non-mineral wastes. While efforts are made to minimize non-mineral wastes through reuse and recycling, mineral wastes, tailings and waste rock are an unavoidable result of the mining process.

**Waste Rock**

Upon exposure to air, the newly exposed surfaces of mineral wastes begin to weather and oxidize. Because oxidation products can have water quality impacts, Kinross requires our mines to understand these geochemical transformations and to design and operate the mine to avoid or minimize impacts. Mineral waste management plans are routinely reviewed and updated to ensure that facilities are both physically and chemically stable. Regular monitoring and inspection are required to verify that design expectations are being met.

We continue to support and participate in the International Network for Acid Prevention (INAP), an industry group founded in 1998 that supports the development of technical guidance and standards for the prevention and control of acid mine drainage. In the interest of acid drainage prevention and control, INAP’s research and guidance documents are available to everyone through its website: www.inap.com.au.

**Tailings Management**

Tailings are disposed of in storage facilities designed, built, operated and closed to meet regulatory and engineering safety and environmental standards. Our tailings management standard was strengthened in 2010. Management programs are in place at each of our sites to assess the management and stability of tailings and heap leach facilities. They include a detailed water balance accounting to assure sufficient storage capacity and a review of operational procedures. At mine closure, tailings dams are decommissioned and reclaimed to increase their long-term stability and ensure that they become a part of the post-mine land use.

In addition to requiring an annual inspection of each Kinross tailings facility by a geotechnical engineer, we apply an additional level of oversight led by an external geotechnical expert who reports to senior management at Kinross. We completed third-party technical reviews of tailings storage facilities at Kettle River-Buckhorn, Round Mountain, Paracatu, and Crixás in 2010 and at Paracatu, Kupol and Fort Knox in 2011.

At the end of 2011, Kinross received its operating permit for the new Eustaquio tailings storage facility at Paracatu. Tailings began to be placed in this facility in March 2012.

The Kupol tailings facility began operation in 2008. The facility design includes, below the dam, a sump to capture any runoff from the dam face or seepage beneath the dam. In late 2010, monitoring detected seepage below the dam, which was
was detected adjacent to the tailings storage facility at Tasiast. After determining that the facility was unlikely to perform as originally designed, we accelerated designs, permits and the construction schedule for a new tailings facility to replace the existing facility. Meanwhile, we made operating and design changes to minimize, capture, and return leakage to the process plant. The new tailings facility is currently under construction and is scheduled to replace the existing facility in late 2012. Given that there is no recoverable or usable groundwater in the area, there has been little environmental impact. Nevertheless, a number of monitoring and abstraction wells have been installed around the facility to recover seepage this year. Kinross has kept the Mauritanian regulatory authorities apprised of the situation since we first recognized the problem, and they appear to be satisfied with Kinross’ efforts to correct the situation.

Non-Mineral Wastes

Non-mineral wastes include everything that doesn’t originate in the actual mine, such as spent batteries, fluorescent light bulbs, cupels and crucibles used in the refining process, waste oil and spent solvents. Grinding media (mill liners), truck tires, and reagent packaging also fall in this category. We are continuously seeking ways to reduce waste generation as well as increase the amount of waste we can recycle or reuse. We dispose of materials that cannot be recycled or reused in a manner that is environmentally acceptable, in compliance with regulations and using handling and storage procedures that ensure people and the environment are protected. We have recycling programs at each of our operations. For example, Kupol shreds plastic containers for resale within Russia. In 2011, we recycled approximately 47% of non-mineral wastes.
MANAGING CYANIDE

Because much of the ore that Kinross mines contains highly disseminated, low concentrations of gold, the use of aqueous chemical extraction processes is the only economically viable method of extracting the gold from the ore. The most efficient and environmentally safe reagent available for the dissolution and extraction of gold is cyanide. However, because of its hazardous characteristics, the use and management of cyanide requires stringent control at all times, from transportation to disposal.

Recognizing the importance of maintaining the highest standards of cyanide management, Kinross was one of 14 initial signatory companies to the International Cyanide Management Code (ICMC) in 2005. It requires on-site verification by an independent third-party auditor for initial certification and every three years thereafter, as well as ongoing monitoring and annual reporting. Compliance with the Cyanide Code is a key part of Kinross’ commitment to protect our workers, communities, and the environment in which we operate.

In 2011, we received certification at La Coipa under the Cyanide Code. La Coipa was found to be in substantial compliance with the Cyanide Code, identifying eight areas where improvements were needed for the operation to be in full compliance. As of the publication date of this report, La Coipa had three remaining corrective actions it needed to complete by November 6, 2012.

Fort Knox and Round Mountain achieved Cyanide Code recertification in 2011, and Paracatu was recertified in early 2012. All Kinross sites outside of West Africa are now certified. Our two additional operations in West Africa have been added to our future certification goal. Chirano was audited in July 2012 and is expected to be certified later this year. All new facilities are being built to meet the requirements of the Cyanide Code.
Biodiversity

In 2011, Kinross strengthened its corporate standards for biological resources management and all sites are developing Biodiversity Management Plans to provide stewardship and protection for biodiversity and biological habitats.

Understanding the ecosystems in the areas where we work is fundamental to our environmental and project planning. While our projects are located in very different environments, baseline studies provide us with critical information regarding diversity, populations, critical habitat and ecosystem services. With this information, we are able to avoid, minimize and mitigate our impacts. Our initial assessment and ongoing management plans are carried out in consultation with local stakeholders – governments, NGOs, indigenous peoples and other community members – who can best help us understand and protect local ecosystems.

For example, our Fruta del Norte project, located in Ecuador, is home to one of the world’s most diverse populations of animals and plants per square kilometre. Kinross is committed to monitor and protect the diverse populations of flora and fauna at Fruta del Norte. Monitoring is conducted every six months and has already resulted in the identification of 19 new species of flora and three new species of fauna in two of our concessions.

In order to protect sensitive habitats, we have developed a co-operative program with the Ecuadorian Ministry of the Environment and the Agency for Mining Regulation and Control. Its purpose is to identify and assist informal mining operations to normalize their activities and receive technical assistance in meeting their environmental obligations. Kinross periodically monitors their mining activities, provides training on Ecuadorian environmental compliance requirements, and assists them, where possible, in meeting those requirements. A group of informal miners recently received hands-on training from the Kinross Fruta del Norte Environmental team. See Case Study 8: Artisanal Mining in Ecuador.

We’ve sought out similar collaborative opportunities at our Lobo-Marte development in Chile. For example, the site’s scoping study will set out a biodiversity action plan, which is being developed with Chile’s National Forestry Service (CONAF). To learn more about biological resource planning and partnerships at Lobo-Marte, see Case Study 10: Ecosystem Protection at Lobo-Marte.

At our operations and development projects in Chile and Ecuador, there were 43 IUCN red listed species present in 2011. We are working with key stakeholders to account for these species during our activities.
CASE STUDY 10: ECOSYSTEM PROTECTION AT LOBO-MARTE

THE ISSUE: Mining has the potential to impact ecosystems and biological resources. How can mining companies work in partnership with host governments and other stakeholders to ensure they provide adequate protection for biological resources, particularly when they are conducting their operations in or adjacent to environmentally sensitive or protected areas, or in remote regions containing previously undisturbed ecosystems?

THE KINROSS WAY

Kinross is committed to protecting the ecosystems in which we operate. This begins with respect for legally protected and internationally recognized conservation areas; however, even where there are no protected areas, we conduct extensive baseline studies and, where important biological resources are identified, we design mine facilities to avoid or minimize potential impacts. Where impacts are unavoidable, management plans are developed to mitigate or offset impacts. Kinross also aims to create a positive footprint by engaging in partnerships with research and educational institutions, where appropriate.
to increase the overall knowledge and understanding of regional ecosystems, and ultimately, to create a positive legacy through sustainable biological resource improvements.

As an example, our Lobo-Marte project is located in the mountainous Atacama Desert, roughly midway between Kinross’ Maricunga and La Coipa mines. Lobo-Marte operated as an open pit/heap leach between 1988 and 1992, and was acquired by Kinross in 2008. The mine is located between the northern and southern zones of the Nevado Tres Cruces National Park, and in 2009 the Chilean government incorporated the valleys connecting these two zones of the Park (including parts of the Lobo-Marte project area) into an existing Ramsar Site.

As Kinross began feasibility studies to re-develop the project, we found that, despite being located near these protected areas, there was very little field data and ecological information available for the area. As a result, the baseline studies conducted by Kinross since 2009 have greatly increased the body of knowledge on the ecology of the area. Working in partnership with biodiversity experts and other stakeholders, Kinross completed detailed inventories of the biological communities in the area. Studies included detailed mapping of the wetlands, extensive studies of the hydrologic systems feeding the wetlands, and inventories of the flora and fauna. Studies of camelid movement were performed using GPS tracking collars. Our investigations identified the following sensitive species: the horned coot; three species of flamingos, including one that uses one of the lagoons in the nearby National Park for nesting; two camelid species (vicuñas and guanacos) that graze within and around the protected Ramsar Sites; viscachas, short-tailed chinchillas; and the liolaemus rosenmanii lizard.

In addition to improving the understanding of the population density and range of these sensitive species, these studies informed our assessment of how Kinross activities can be designed to have minimal impact. For example, our investigations identified the movement patterns of vicuñas and guanacos. To minimize potential effects on these species, our proposed project designs have avoided the placement of permanent structures in zones of concentrated movement. We conducted extensive hydrologic investigations to improve our understanding of the sensitive wetland systems and designed the proposed site layout to avoid impacts to wetlands. To protect the long-term sustainability of the wetlands that are protected as part of the Ramsar Site, a biodiversity action plan (BAP) is being developed in partnership with Chile’s National Forestry Service (CONAF) and other stakeholders to provide the necessary protection for these valuable resources.

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1 The “Ramsar Convention” is an intergovernmental treaty that embodies the commitments of its member countries to maintain the ecological character of their Wetlands of International Importance and to plan for the “wise use”, or sustainable, use, of all of the wetlands in their territories.
RECLAMATION AND CLOSURE

At Kinross, we recognize our responsibility to manage the environmental impacts associated with our operations at all stages of a mine’s life cycle. We require all of our sites to develop and maintain reclamation and closure plans that demonstrate industry-wide leadership.

Working with our stakeholders, reclamation planning entails an extensive analysis of land use options, environmental factors and community development concerns and objectives. Closure planning is an integral consideration during initial mine planning and is regularly updated as new information becomes available or mining operations are optimized. For example, a preliminary rehabilitation and closure plan for our Tasiast operation has been produced and approved by Mauritanian authorities. As required by the country’s legislation, a final plan will be prepared two years before the cessation of mining. Our goal at all our sites is to minimize our environmental footprint, which includes both limiting the area disturbed by our activities as well as conducting contemporaneous reclamation of lands when they are no longer required.

At the end of 2011, we had five reclamation sites – DeLamar, Hayden Hill, Mineral Hill, Sunnyside and Champagne – all located in the United States. At each, we continued to make progress toward final closure. For example, at DeLamar in southwestern Idaho, we continue to dewater the tailing impoundment and complete installation of an engineered cover.

Our closed Mineral Hill mine in the state of Montana was awarded the U.S. Bureau of Land Management’s Hardrock Mineral Environmental Award in 2011 for its exceptional performance and recognized as a model of land reclamation excellence. We profile the initiatives that prompted this recognition in our Case Study 11: Applying Best Practices in Reclamation and Closure at Mineral Hill.

In 2011, we achieved a full regulatory release from our Wind Mountain site in Nevada. Through our reclamation processes, we achieved physical and chemical stabilization as well as successful re-vegetation of the 200-hectare site.
CASE STUDY 11: APPLYING BEST PRACTICES IN RECLAMATION AND CLOSURE AT MINERAL HILL

THE ISSUE: Mine closure is a complex process requiring careful planning from the beginning of a project’s lifecycle. The planning horizon is measured in decades, and planners must deal with social, economic and environmental issues that will inevitably change over a mine’s operating life. What are the best practices that define successful mine closure and site reclamation?

THE KINROSS WAY

Returning land disturbed by mining to stable and productive post-mining land uses is fundamental to Kinross’ commitment to prudent and responsible stewardship of the environment. Working with our stakeholders, closure planning is an integral consideration during initial mine planning and is regularly updated as new information becomes available or mining operations are optimized.

When mining operations cease, Kinross proceeds with the demolition of facilities and completion of final reclamation, all the while maintaining compliance with permitted regulatory requirements. We work closely with regulatory agencies and key stakeholders to ensure that sound technical reclamation approaches are applied to the unique and specific characteristics of each site.

In 2011, our Mineral Hill mine was awarded the U.S. Bureau of Land Management’s Hardrock Mineral Environmental Award honouring best practice in mine reclamation. Below are some of the undertakings for which we were recognized.

Mineral Hill History


Site Closure and Reclamation

Reclamation activities began with removal and/or rehabilitation of the mill and process facilities. Mine openings were secured to prevent unauthorized entry. Land throughout the site, including facility foundations and haul and drill roads, was re-contoured to its original grade. With approval from the Montana Historical Society, the site team removed a dilapidated arsenic mill and excavated the contaminated and potentially contaminated building debris and soils for secure final disposal. The mine team also reclaimed two tailings deposits that were remnants of gold and arsenic operations from the early 1900s. The 5.2 hectare tailings storage facility was drained, secured with an additional liner, and re-graded. An evaporation system was installed to handle the small amount of drainage from the tailings area, and the facility entered a period of care and maintenance.

In 2005, Kinross voluntarily undertook installation of an impermeable liner over the upper five acres and surface drainage channels of the tailings facility. By preventing water from entering the reclaimed tailings from the top, the amount of water draining from the tailings has been reduced to a trickle, minimizing the amount of residual tailings moisture that is collected for treatment and disposal.

In 2008, in the interest of public safety, mine personnel assisted the U.S. Forest Service in the closure of several mine openings in the vicinity, including two portals on our property. At some locations, the Forest Service and
CASE STUDY 11: APPLYING BEST PRACTICES IN RECLAMATION AND CLOSURE AT MINERAL HILL

Kinross team was able to complete closure to restrict public access, while still preserving the cave-like habitat for bats and other small mammals.

Native plants, grasses and shrubs have been re-established over the entire site, and the reclaimed areas provide habitat for bountiful wildlife and a migration corridor for the northern Yellowstone elk herd. The site recently received agency approval for partial bond release for successfully vegetated areas and approval to decrease the permitted area from 172 to 37 hectares. Ongoing site activities consist of environmental monitoring and water management.

Stakeholder Involvement
We believe that we have been able to achieve successful results largely through ongoing and substantial consultation and involvement with the community, the Montana Department of Environmental Quality, the U.S. Forest Service, the National Park Service and the Bear Creek Council. Future land use is of great interest to local stakeholders who have expressed support for public ownership of the property. The property has high recreational, wildlife, and historical values that are being evaluated.
TRUE NORTH RECLAMATION

The True North mine was operated as a satellite mine by our Fort Knox mine in Alaska between 2001 and 2005. Reclamation at True North has been progressing since 2006. Today, activities are focused on the final reclamation steps, including fertilization of re-vegetation in formerly eroded and settlement areas. In 2011, more than 30,000 native seedlings of white spruce, black spruce, birch and alders were planted on 40 hectares; 132 hectares of previously reclaimed waste rock dumps, pit floors and stockpiles were fertilized; and nearly 2,000 metres of water diversion ditches were repaired. These activities are consistent with Kinross’ high performance standards and go beyond regulatory requirements in the area.
In October 2011, Sunnyside Gold Corporation offered to contribute $6.5 million toward water quality improvements in the Upper Animas Basin above Silverton, Colorado. Sunnyside, which was acquired by Kinross in 2003 as part of our acquisition of Echo Bay Mines, operated the Sunnyside mine in the area from 1986 to 1991. Sunnyside has spent almost $15 million on mitigation, remediation and reclamation in the area in order to meet all regulatory environmental requirements and the terms of its Reclamation Permit. Sunnyside is committed to acting as a catalyst to improve water quality in the Upper Animas.

For the past 15 years, the Sunnyside mine has worked with, and supported, the Animas River Stakeholders Group (ARSG) to pursue local solutions to local environmental issues. In co-operation with the ARSG, considerable work has been performed, resulting in significant water quality improvements.
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Feedback
Kinross welcomes your feedback regarding our 2011 Corporate Responsibility Report.
To provide us with your comments, please visit our report online at http://takingresponsibility2011.kinross.com and click on Feedback.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this report, including any information as to the future performance of Kinross, constitute “forward-looking statements” within the meaning of applicable securities laws, including the provisions of the Securities Act (Ontario) and the provisions for “safe harbour” under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this report. Forward-looking statements include, without limitation, possible or future events, estimations and the realization of such estimates (including but not limited to associated timing, amounts and costs), expected expenditures and activities, timelines, currency fluctuations, requirements for additional capital, government regulation, environmental risks, unanticipated reclamation expenses, and title disputes or claims. The words “expects”, or “is expected”, “budget”, “scheduled”, “target”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might”, or “will be taken”, “occur” or “be achieved” and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many of these uncertainties and contingencies can affect, and could cause, Kinross’ actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements made in this report are qualified by these cautionary statements, and those made in the “Risk Factors” section of our most recently filed Annual Information Form and 40-F, and our other filings with the securities regulators of Canada and the U.S. 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.

Other information
Where we say “we”, “us”, “our”, the “Company”, or “Kinross” in this report, we mean Kinross Gold Corporation and/or one or more or all of its subsidiaries, as may be applicable.