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United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 40-F

[Check one]

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

OR

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

For the fiscal year ended **December 31, 2005** Commission File Number **0-10321**

KINROSS GOLD CORPORATION
(Exact name of Registrant as specified in its charter)

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

Province of Ontario, Canada
(Province or other jurisdiction of incorporation or organization)

1041
(Primary Standard Industrial Classification Code Number (if applicable))

650430083
(I.R.S. Employer Identification Number (if applicable))

52nd Floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3Y2 (416) 365-5123
(Address and telephone number of Registrant's principal executive offices)

Scott W. Loveless, Parr Waddoups Brown Gee & Loveless,
185 South State Street, Suite 1300, Salt Lake City, Utah 84111-1537
(801) 532-7840
(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

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

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

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

None
(Title of Class)

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

Common Shares, no par value
(Title of Class)

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

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

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

As of December 31, 2005, there were 345,417,147 common shares, 311,933 preferred shares and warrants to acquire up to 8,333,333 common shares outstanding.

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

Yes o No ý

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

Yes ý No o

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

Pursuant to the requirements of Form 40-F, Kinross' Annual Information Form dated March 31, 2006 and Management's Discussion and Analysis, which includes the audited consolidated financial statements and notes thereto as of December 31, 2005 and for the three years ended December 31, 2005, are hereby filed under cover of this form. See Note 21 to the audited consolidated financial statements for a reconciliation of the financial statements to U.S. GAAP.

Readers should note that in the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effect on the comparability of the financial statements, such as the changes described in Note 2 to Kinross' consolidated financial statements. The report of KPMG LLP to the shareholders dated March 29, 2006 is expressed in accordance with Canadian reporting standards, which do not require a reference to such changes in accounting principles in the auditors' report when the changes are properly accounted for and adequately disclosed in the financial statements.

There are also certain differences between the corporate governance practices applicable to Kinross and those applicable to U.S. companies under NYSE listing standards. A summary of the significant differences can be found at www.kinross.com/corp/governance-corp.html.

CONTROLS AND PROCEDURES

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

As required by Rule 13a-15(b) under the Exchange Act, we conducted an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31st, 2005, the end of the period covered by this annual report on Form 40-F. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Annual Report, the design and operation of the Company's disclosure controls and procedures were effective.

Significant Changes in Internal Controls

During the process of preparing our 2003 and 2004 financial statements, management identified certain significant deficiencies relating to internal controls over financial reporting. These deficiencies were previously disclosed in the report on 40-F for the year ended December 31, 2004 and are:

- Our ability to consistently record and reconcile financial information in a timely manner
- Inconsistent inventory tracking and procedures at different operating locations
- Inadequate segregation of duties in particular areas
- Adequacy of staffing in certain areas and in the training and experience of personnel
- Inadequate documentation of accounting policies and procedures
- Inadequate processes and procedures in our financial statement review procedures
- Deficiencies in certain areas of our information technology systems

These deficiencies have been discussed with the Audit Committee and management has initiated an action plan to address each of these areas. In addition, management is conducting a company-wide review of our internal controls over financial reporting since those controls will be subject to an attestation report of our independent registered public accounting firm for the 2006 fiscal year. Management has already taken steps to address some of these issues, including hiring additional staff for our internal accounting department. We will continue to address these issues throughout the remainder of the year.

Other than as discussed above, there have been no significant changes to our system of internal control over financial reporting or in other areas for the year ended December 31, 2005 or since that time that could significantly affect our internal control over financial reporting.

AUDIT COMMITTEE

Kinross has an audit committee, comprised of three individuals, John A. Brough, chairman, John M.H. Huxley and Terence Reid. Each of the members of the audit committee is independent as that term is defined in the listing standards of the New York Stock Exchange. The board of directors has determined that Mr. Brough is the audit committee financial expert. The Securities and Exchange Commission has indicated that the designation of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liabilities on such person that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

CODE OF ETHICS

Kinross has a Code of Business Conduct and Ethics that applies to all directors, officers and employees. The Code of Business Conduct and Ethics may be viewed at the Company's website at www.kinross.com under Corporate — Governance. The Company has not granted any waivers under its Code of Business Conduct and Ethics.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The Company paid the following fees to its independent registered public accounting firm during the last two fiscal years:

	2005[1]	2004
Audit Fees	CDN $1,500,000	CDN $2,918,705
Audit-Related Fees	CDN $ —	CDN $1,410,605
Tax Fees	CDN $ —	CDN $1,017,843
All Other Fees	CDN $68,000	—

(1) Reflects amounts paid during the 2005 fiscal year to the Company's current independent registered accounting firm. In addition the Company paid the following amounts to its prior independent registered accounting firm during fiscal 2005: CDN $1,187,295 for audit fees; CDN $1,306,395 for audit related fees; zero for tax fees; and CDN $701,000 for all other fees.

Audit-related fees include fees related to the preparation of prospectuses and registration statements and consultations regarding financial accounting and reporting standards. Tax fees were for tax compliance and advisory services. "All Other Fees" includes amounts for products and services other than those set forth under the separate headings above.

The audit committee is required to approve all services provided by the Company's principal auditor. All audit services, audit related services, tax services, and other services provided for the year ended December 31, 2005 were pre-approved by the audit committee which concluded that the provision of such services by KPMG LLP was compatible with the maintenance of that firm's independence in the conduct of its auditing functions.

OFF-BALANCE SHEET ARRANGEMENTS

The off-balance sheet arrangements of the Company are disclosed in Kinross' Management's Discussion and Analysis — Risk Analysis — Disclosures About Market Risks and Note 8, "Financial Instruments", and Note 23 "Commitments and Contingencies" to Kinross' audited consolidated financial statements for the year ended December 31, 2005 filed as an exhibit to this report on 40-F and incorporated herein by this reference.

CONTRACTUAL OBLIGATIONS

The contractual obligations of the Company are disclosed in Kinross' Management's Discussion and Analysis — Liquidity and Capital Resources — Liquidity Outlook — Contractual Obligations and Commitments," filed as an exhibit to this 40-F and incorporated herein by this reference.

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This report on 40-F contains "forward-looking statements." Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and silver, the estimation of mineral reserves and resources and other mineralized ore, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects," or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "does not anticipate," "or believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur," or "be achieved." Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kinross to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In addition to the factors Kinross currently believes to be material, which are identified in the Annual Information Form under the caption "Risk Factors" and Management's Discussion and Analysis under the caption "Risk Analysis" filed as exhibits to this report on 40-F and incorporated herein by this reference, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. In addition, known or unknown risks could have a greater or different effect than currently expected which could cause actions, events or results not to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements which speak only as the date of this 40-F. Kinross does not undertake any obligation to update or revise these forward-looking statements.

UNDERTAKING

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

A copy of Kinross' Audited Consolidated Financial Statements as of December 31, 2005, and the three years then ended, together with the accompanying Management's Discussion and Analysis is available at www.kinross.com. The Financial Statements, Management's Discussion and Analysis and the Annual Information Form of Kinross are also available on SEDAR (www.sedar.com) and this report on 40-F, including all of the foregoing documents, is available on EDGAR (www.sec.gov). Upon the written request of any shareholder, Kinross will provide a copy of this report on Form 40-F, including the Financial Statements, Management's Discussion and Analysis, and the Annual Information Form attached hereto. Written requests for such information should be directed to Kinross Gold Corporation, attention Shelley Riley, Corporate Secretary, 52nd Floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3Y2, telephone (416) 365-5123.

SIGNATURES

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

KINROSS GOLD CORPORATION

March 31, 2006

By: /s/ Lars-Eric Johansson

Lars-Eric Johansson
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for Kinross Gold Corporation dated March 31, 2006
99.2	Kinross Gold Corporation Management's Discussion and Analysis, including the audited consolidated financial statements for the three years ended December 31, 2005
99.3	Consent of KPMG LLP, independent registered accounting firm for Kinross Gold Corporation
99.4	Consent of Deloitte & Touche LLP, independent registered accounting firm for Kinross Gold Corporation
99.5	Consent of Rod Cooper to being named as a qualified person
99.6	Consent of Wesley C. Hanson to being named as a qualified person
99.7	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 302 of the Sarbanes-Oxley Act of 2002)
99.8	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
99.9	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
99.10	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley act of 2002)

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KINROSS GOLD CORPORATION

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2005

Dated March 31, 2006

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Unless otherwise stated, all dollar amounts in this annual information form ("Annual Information Form") are in United States dollars.

Unless otherwise stated, the information in this Annual Information Form is as of December 31, 2005.

CAUTIONARY STATEMENT

This Annual Information Form of Kinross Gold Corporation ("Kinross" or the "Company") contains "forward-looking statements." Forward-looking statements are based on Kinross' management's current beliefs as well as assumptions made by and currently available to management and include, but are not limited to, statements with respect to the future price of gold and silver, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects," or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "does not anticipate," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur" or "be achieved." Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kinross to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In addition to the factors Kinross currently believes to be material, which are identified under "Risk Factors," other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. In addition, known or unknown risks could have a greater or different effect than currently expected which could cause actions, events or results not to be as anticipated, estimated or intended. 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. Accordingly, readers should not place undue reliance on forward-looking statements which speak only as of the date of this Annual Information Form. Kinross does not undertake any obligation to update or revise these forward-looking statements.

RISK FACTORS

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

Kinross' mineral exploration and mining operations involve significant risks, including the difficult nature of establishing the existence of economic mineralization, significant up-front capital requirements, variability in deposits, and others that may restrict Kinross' ability to receive an adequate return on its capital in the future.

The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Few mining properties that are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities. Large amounts of capital are frequently required to purchase necessary equipment. Delays due to equipment malfunction or inadequacy may adversely affect Kinross' results of operations. It is impossible to ensure that the current or proposed exploration programs on properties in which Kinross has an interest will result in profitable commercial mining operations.

Whether a gold deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size and grade, costs and efficiencies of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kinross not receiving an adequate return on its invested capital.

Kinross is subject to risks caused by various external factors, including legal liability created by its operations.

The operations of Kinross are subject to the hazards and risks normally incident to exploration, development, and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of Kinross may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which Kinross has interests. Hazards, such as unusual or unexpected formations, faults and other geologic structures, rock bursts, pressures, cave-ins, flooding, or other conditions may be encountered in the exploration, mining, and removal of material.

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

Kinross' mining and processing operations and exploration activities in the Americas, Russia, Africa and other countries and regions are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. The legal and political circumstances outside of North America cause these risks to be different from, and in many cases, greater than, comparable risks associated with operations within North America. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse impact on Kinross, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. Compliance with these laws and regulations requires significant expenditures and increases the mine development and operating costs of Kinross. Changes in regulations and laws could adversely affect Kinross' operations or substantially increase the costs associated with those operations.

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

Kinross is subject to risks and expenses related to reclamation costs and related liabilities. Increases in these costs over current estimates could have a material adverse effect on Kinross.

Kinross is generally required to submit for government approval a reclamation plan and to pay for the reclamation of its mine sites upon the completion of mining activities. Kinross estimates the net present value of future cash outflows for reclamation costs under CICA Handbook Section 3110 at $175.9 million as at December 31, 2005 based on information available as of that date. In addition, Kinross spent $23.6 million in 2005 and plans reclamation spending of approximately $36.3 million in 2006 as part of its plans to advance closure projects towards post-closure monitoring by the end of 2006. Any increases over the current estimates of these costs could have a material adverse effect on Kinross.

Kinross is subject to risks related to environmental liability, including liability for environmental damages caused by mining activities prior to ownership by Kinross. The payment of such liabilities would reduce funds otherwise available and could have a material adverse effect on Kinross.

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

Kinross' operations could be adversely affected by changes in mining laws related to royalties, net profit payments, land and mineral ownership and similar matters.

Bills proposing major changes to the mining laws of the United States have been considered by the U.S. Congress. If these bills, which may include royalty fees or net profit payments, are enacted in the future, they could have a significant effect on the ownership, use, operation and profitability of mining claims in the United States, including claims that Kinross owns or holds. Any amendment to current laws and regulations governing the rights of leaseholders or the payment of royalties, net profits interests or similar amounts, or more stringent implementation thereof in the United States or other countries where Kinross has operations, could have a material adverse impact on Kinross' financial condition and results of operation.

The business of Kinross is adversely affected by the lack of infrastructure near its mine sites.

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

The reserve and resource figures of Kinross are only estimates and are subject to revision based on developing information. A significant reduction in these reserves and resources or in their estimates could negatively affect the price of Kinross' stock.

The figures for reserves and resources presented herein, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realized, are estimates. Such estimates are materially dependent on prevailing gold prices and costs of recovering and processing minerals at the individual mine sites. Market fluctuations in the price of gold or increases in the costs to recover gold at Kinross' mines may render the mining of ore reserves uneconomical and materially adversely affect Kinross' results of operations. Moreover, various short-term operating factors may cause a mining operation to be unprofitable in any particular accounting period.

Unless otherwise noted, proven and probable reserves at Kinross' mines and development projects as of December 31, 2005 were estimated based upon a gold price of $400 per ounce, and measured, indicated and inferred resources for Kinross were estimated based upon a gold price of $450 per ounce. Prolonged declines in the market price of gold may render reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could reduce materially Kinross' reserves and resources. Should such reductions occur, material write downs of Kinross' investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow. The estimates of mineral reserves and resources attributable to a specific property are based on accepted engineering and evaluation principles. The estimated amount of contained gold in proven and probable reserves does not necessarily represent an estimate of a fair market value of the evaluated properties.

There are numerous uncertainties inherent in estimating quantities of mineral reserves and resources. The estimates in this Annual Information Form are based on various assumptions relating to gold prices and exchange rates during the expected life of production, mineralization of the area to be mined, the projected cost of mining, and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures, and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in material downward revision to current estimates.

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

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

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

Because mines have limited lives, Kinross must continually replace and expand its mineral reserves as its mines produce gold in order to continue its operations. The life-of-mine estimates included in this Annual Information Form for each of Kinross' material properties are based on a number of factors and assumptions and may prove incorrect. Kinross' ability to maintain or increase its annual production of gold will significantly depend on its ability to bring new mines into production and to expand mineral reserves at existing mines.

The operations of Kinross outside of North America may be adversely affected by changing political, legal, and economic conditions.

Kinross has mining and exploration operations in Brazil, Chile, Russia and Africa and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in these countries may result in these governments adopting different policies respecting foreign development and ownership of mineral resources. Any changes in policy may result in changes in laws affecting ownership of assets, foreign investment, taxation, rates of exchange, gold sales, environmental protection, labor relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Kinross to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operations. A future government of these countries may adopt substantially different policies, which might extend to, as an example, expropriation of assets.

There are significant currency and tax risks related to Kinross' Russian operations, which could adversely affect Kinross' Russian operations.

Kinross is subject to the considerations and risks of operating in the Russian Federation. The Russian economy continues to display characteristics of an emerging market. These characteristics include, but are not limited to, a currency that is not freely convertible outside of the country and extensive currency controls. The prospects for future economic stability in the Russian Federation are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory, and political developments.

Russian laws, licenses, and permits have been in a state of change and new laws may be given retroactive effect. It is also not unusual in the context of dispute resolution in Russia for parties to use the uncertainty in the Russian legal environment as leverage in business negotiations. In addition, Russian tax legislation is subject to varying interpretations and constant change. Further, Kinross' interpretation of tax legislation as applied to its transactions and activities may not coincide with that of Russian tax authorities. As a result, transactions may be challenged by tax authorities and Kinross' Russian operations may be assessed, which could result in significant additional taxes, penalties and interest. The periods remain open to review by the tax authorities for three years. See "Business of Kinross — Legal Proceedings — Russia".

Zimbabwe suffers from significant economic instability which could adversely affect Kinross' operations in this country.

Kinross is subject to risks relating to an uncertain or unpredictable political and economic environment in Zimbabwe. In the short term, significant economic instability in this region is expected to negatively impact the business environment and may lead to long-term negative changes in the approaches taken with respect to ownership of natural resources by foreign companies. In 2001, Kinross recorded a writedown of $11.8 million relating to Kinross' inability to manage this operation because of political turmoil creating inflationary pressure within Zimbabwe, difficulty in accessing foreign currency to pay for imported goods and services, and civil unrest. Due to Kinross' continuing inability to control distributions from the operations in Zimbabwe, Kinross stopped reporting mining production in Zimbabwe in 2003.

Kinross requires the issuance and renewal of licenses and permits in order to conduct its operations, and failure to receive these licenses may result in delays in development or cessation of certain operations.

The operations of Kinross require licenses and permits from various governmental authorities to exploit its properties, and the process for obtaining licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays and uncertainties. Such licenses and permits are subject to change in various circumstances. Kinross may be unable to timely obtain or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

The success of Kinross is dependent on gold prices over which it has no control.

The profitability of Kinross' operations are significantly affected by changes in the market price of gold. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Kinross. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold, including governmental reserves, and changes in exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold has fluctuated widely and future serious price declines could cause continued commercial production to be impractical. Depending on the price of gold, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in gold prices, revenues from metal sales were to fall below cash operating costs, production may be discontinued.

Kinross has a history of losses, and future profitable operations cannot be assured.

Kinross had net losses attributable to common shareholders of $63.1 million and $216.0 million for 2004 and 2005, respectively. Kinross' ability to operate profitably in the future will depend on the success of its principal mines, the ability of Kinross to expend its mineral reserves, the price of gold and the ability of Kinross to control costs. There can be no assurance Kinross can obtain profitability or even generate sufficient cash flow to sustain its operations and development and exploration activities at current levels.

The title to properties of Kinross may be uncertain and subject to risks.

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

Certain of Kinross' United States mineral rights consist of unpatented mining claims. Unpatented mining claims are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain and is always subject to challenges of third parties or contests by the United States government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of United States federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. The General Mining Law of the United States includes provisions for obtaining a patent, which is essentially equivalent to fee title, for an unpatented mining claim upon compliance with certain statutory requirements (including the discovery of a valuable mineral deposit). However, a Congressional moratorium against the filing of new applications for a mineral patent is currently in effect and is expected to remain in effect.

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

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

Kinross may require additional capital that may not be available.

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

Kinross' insurance may not cover the risks to which its business is exposed.

Kinross' business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, adverse property ownership claims, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Kinross' properties or the properties of others, delays in mining, monetary losses and legal liability.

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

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

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

Fluctuations in United States and Canadian exchange rates may negatively affect the price of Kinross' common shares in United States dollars.

Fluctuations in the exchange rate between Canadian and United States dollars may affect the United States dollar value of the Kinross common shares in ways that are different than changes in the Canadian dollar value of Kinross common shares.

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

Some of the mines in which Kinross owns interests are operated through joint ventures with other mining companies and are subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on Kinross' profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on Kinross' results of operations and financial condition:

- inability to exert influence over certain strategic decisions made in respect of joint venture properties;
- disagreement with partners on how to develop and operate mines efficiently;
- inability of partners to meet their obligations to the joint venture or third parties; and
- litigation between partners regarding joint venture matters.

The failure of Kinross to pay royalties would adversely affect its business and operations.

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

The commodity hedging activities of Kinross may have an adverse effect on its results of operations.

Kinross has historically reduced its exposure to gold price fluctuations by engaging in hedging activities. In 2002, Kinross changed its hedging strategy and has adopted a no hedging policy for gold and as a result is highly exposed to any future decline in the market price of gold. If Kinross were to resume hedging activities, it may be unable to achieve realized prices for gold produced in excess of average market prices. Hedging may not adequately protect against declines in the price of gold and may prevent Kinross from benefiting fully from gold price increases. Hedging may require margin activities. Sudden fluctuations in the price of gold could result in margin calls that could have an adverse effect on the financial position of Kinross.

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

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

Limitations on the rights of Kinross' foreign subsidiaries could adversely affect its ability to operate efficiently.

Kinross conducts operations through foreign subsidiaries and joint ventures, and a substantial part of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict Kinross' ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse impact on Kinross' valuation and stock price. For example, currently Kinross is subject to limitations on the transfer of cash or assets for its operations in Zimbabwe.

The results of Kinross' operations could be adversely affected by its acquisition strategy.

As part of Kinross' business strategy, it has sought, and will continue to seek, to acquire new mining and development opportunities in the mining industry. In pursuit of such opportunities, Kinross may fail to select appropriate acquisition candidates or to negotiate acceptable arrangements, including arrangements to finance acquisitions or to integrate the acquired businesses and their personnel. Kinross may be unable to complete any acquisition or business arrangement that it pursues on favorable terms. Any acquisitions or business arrangements completed may not ultimately benefit Kinross' business.

Changes in the market price of Kinross common shares may be unrelated to its results of operations and could have an adverse impact on Kinross.

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

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Kinross may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Any future restatement of Kinross' financial statements may adversely affect the trading price of its common shares.

Kinross has had to restate its consolidated financial statements for 2003 and 2004. These restatements do not prevent future changes or adjustments, including additional restatements. If there were future restatements of the consolidated financial statements, such restatements may adversely affect the trading price of Kinross' common shares. See the notes to Kinross' audited financial statements for the year ended December 31, 2004 for further information regarding the above mentioned restatements.

Kinross has not paid dividends in the past and does not anticipate doing so in the future.

No dividends on the common shares have been paid by Kinross to date. Kinross anticipates that it will retain all future earnings and other cash resources for the future operation and development of its business. Kinross does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of Kinross' board of directors, after taking into account many factors, including Kinross' operating results, financial condition, and current and anticipated cash needs.

The loss of key executives could adversely affect Kinross.

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

Shortage of supplies could adversely affect Kinross' ability to operate.

Kinross is dependent on various supplies and equipment to carry out its mining operations. The shortage of such supplies, equipment and parts could have a material adverse effect on the Company's ability to carry out its operations and therefore limit or increase the cost of production.

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

Kinross is a party to the legal proceedings described under the caption "Legal Proceedings". If decided adversely to Kinross, these legal proceedings, or others that could be brought against Kinross in the future which are not now known, for example, litigation based on its business activities, environmental laws, volatility in its stock price, failure of its disclosure obligations or as a result of its financial restatement (see "General Development of the Business — Restatements"), could have a material adverse effect on Kinross' financial condition or prospects. In July 2005, Kinross was notified by the enforcement division of the SEC that Kinross would be requested to provide documentation in connection with an informal inquiry focused on Kinross' accounting for the business combination with TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay"). No further request has been made by the SEC to date. However, a regulatory investigation could result in significant costs and damages and divert management's attention and resources.

It may be difficult to enforce a United States judgment against the officers and directors of Kinross or the experts named in this Annual Information Form or to assert United States securities laws claims in Canada.

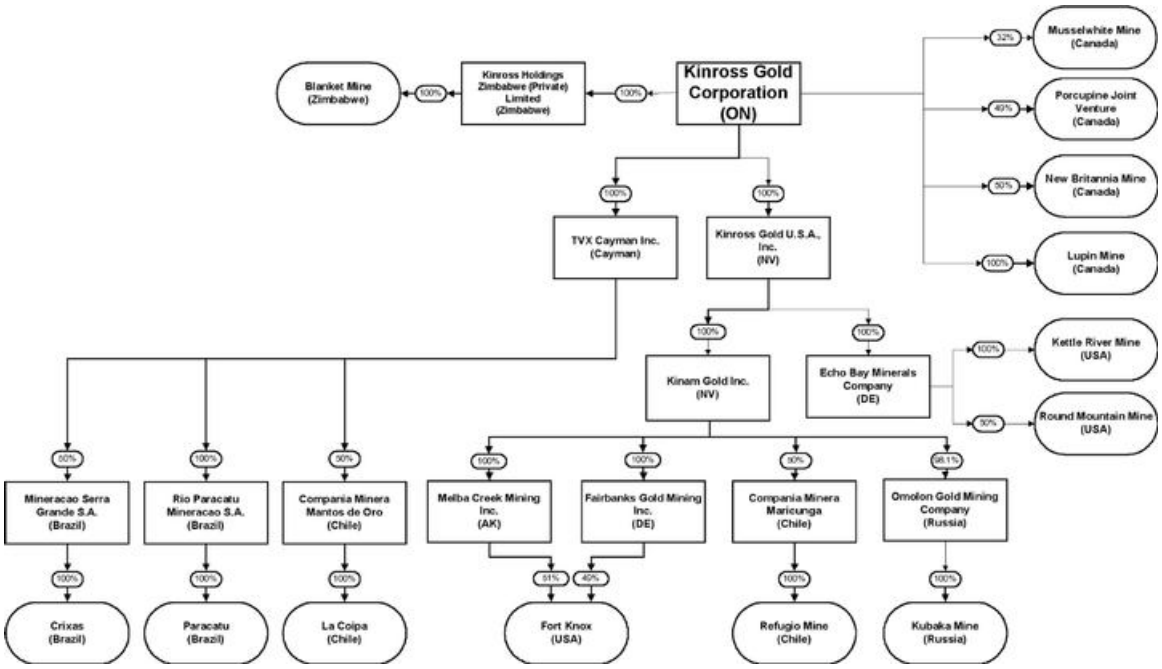
Most of the executive officers and directors of Kinross and its independent accountants are non residents of the United States, and a substantial portion of Kinross' assets are located outside the United States. These executives and accountants reside in Canada, making it difficult or impossible to effect service upon them in the United States. As a result, it may be difficult for U.S. residents to effect service in the United States or enforce a judgment obtained in the United States against Kinross or any such persons. Execution by United States courts of any judgment obtained against Kinross or its officers or directors in United States courts would be limited to the assets of Kinross or such persons, as the case may be, located in the United States. Additionally, it may be difficult for U.S. residents to obtain Canadian enforcement of U.S. judgment or to assert civil liabilities under United States securities laws in original actions instituted in Canada.

CORPORATE STRUCTURE

Kinross Gold Corporation was initially created in May 1993 by amalgamation of CMP Resources Ltd. ("CMP Resources"), Plexus Resources Corporation ("Plexus Resources"), and 1021105 Ontario Corp ("1021105"). In December 2000, Kinross amalgamated with LT Acquisition Inc., in January 2005, Kinross amalgamated with its wholly-owned subsidiary, TVX and in January 2006 it amalgamated with its wholly-owned subsidiary, Echo Bay. Kinross is the continuing entity resulting from these amalgamations. Kinross is governed by the *Business Corporations Act* (Ontario) and its' registered and principal offices are located at Suite 5200, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y2.

Each of Kinross' mining operations is a separate business unit managed by its vice president and general manager, who in turn, reports to the Chief Operating Officer. Exploration activities, corporate financing, tax planning, additional technical support services, hedging and acquisition strategies are managed centrally. Kinross' risk management programs are subject to overview by its Audit Committee and the Board of Directors.

A significant portion of Kinross' business is carried on through subsidiaries. A chart showing the names of the significant subsidiaries of Kinross and their respective jurisdictions of incorporation is set out below as of January 1, 2006. All subsidiaries are 100% owned unless otherwise noted. Unless otherwise indicated herein, the term "Kinross" includes, collectively, all of the subsidiaries of Kinross.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

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

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

Kinross' operations and mineral reserves are impacted by changes in metal prices. Gold traded above $375 per ounce in 2004 and above $400 per ounce in 2005. Kinross used a gold price forecast of $400 per ounce at the end of 2005 and $350 at the end of 2004 to estimate mineral reserves.

Kinross' share of proven and probable reserves as at December 31, 2005, was 24.7 million ounces of gold and 24.4 million ounces of silver.

Three Year History

On January 31, 2003, Kinross acquired all of the outstanding common shares of TVX and Echo Bay. This business combination was effected by way of plan of arrangement under the *Canada Business Corporations Act*.

On August 28, 2003, Kinross issued 23.0 million common shares from its treasury for gross proceeds of $152.5 million. The bulk of the net proceeds from the offering were used to redeem outstanding 5.5% convertible unsecured subordinated debentures. The principal amount of the convertible debentures was $144.8 million. The debentures were redeemed on September 29, 2003. The financial impact of the redemption is fully described in Notes 2 and 11 to the consolidated financial statements.

During the fourth quarter of 2003, Kinross sold several of its equity interests and portfolio investments which were considered non-strategic, including investments in Minefinders Corporation Ltd., Pacific Rim Mining Corporation, and Endeavour Mining Capital Corporation. Proceeds from the sale of equity investments totaled $63.3 million. These transactions resulted in after-tax gains amounting to $26.0 million which are included in the consolidated statements of operations for the year as a component of the $29.5 million gain on disposal of assets.

On November 20, 2003, Kinross announced that it had executed a definitive acquisition agreement with Crown Resources Corporation ("Crown") whereby Kinross will acquire Crown and its wholly-owned Buckhorn gold deposit located in north central Washington State, approximately 67 kilometers by road from Kinross' Kettle River gold milling facility. On December 16, 2003, Crown reported total proven and probable reserves, at a gold price of $350 per ounce, for the Buckhorn Mountain Project of 2.79 million tonnes grading 11.1 grams of gold per tonne containing 991,300 ounces of gold. Details of the reserves disclosure for Crown's Buckhorn Mountain Project, including the assumptions and qualifications relating thereto are available in a technical report prepared by SRK Consulting dated December 2003, filed on SEDAR by Kinross (see www.sedar.com).

The current operating plan for the Buckhorn Mountain Project contemplates the development of an underground mine and the shipping of ore to the Kettle River mill. This development strategy addresses the major environmental issues identified during prior permitting efforts. Kinross has a strong environmental record and believes that by working diligently with federal, state, and local agencies as well as other stakeholders, the permitting process, initiated by Crown, can be successfully completed in a timely manner.

Under the terms of the agreement, as amended, the parties have agreed that the shareholders of Crown will receive 0.32 of a Kinross common share for each share of Crown common stock. The termination date of the definitive acquisition agreement is December 31, 2006.

Kinross also purchased Crown common stock for $1 million and a $10.0 million convertible debenture (the "Debenture") from Crown. The Debenture is convertible into 5.8 million shares of Crown common stock. In the event the agreement is terminated, Crown shall have the right to convert all amounts due under this Debenture by providing 30 days prior notice to Kinross. Kinross has also agreed to loan Crown $2 million if the transaction is not closed by July 1, 2006. The $2 million would be used to buy out the only existing net smelter return royalty from a third party covering the ore body at the Buckhorn Mountain Project. The loan would have a three year term and bear interest at the published Wall Street Journal prime rate at the time of borrowing plus 3 per cent.

Assuming the entire outstanding Crown warrants and options are converted, a total of approximately 14.7 million common shares of Kinross will be issued upon the completion of the transaction.

In December 2004, Kinross replaced its existing $125 million credit facility with a new three-year $200 million revolving credit facility. The Company used $105.0 million of the new facility to satisfy a portion of the $257.0 million cost to purchase the remaining 51% interest in the Paracatu mine. The facility allowed for the limit to be increased to $300 million and allows for up to seventy percent of the outstanding limit to be drawn in gold. In April 2005, the outstanding limit was increased to $295 million and the maturity date extended to April 30, 2008. A total of ten banks have participated in the facility. Obligations under the facility are secured by the assets of the Fort Knox mine as well as by the pledge of shares in various wholly owned subsidiaries.

On December 31, 2004, the Company completed the purchase of a 51% interest in Rio Paracatu Mineracao ("RPM"), the owner of the Morro do Ouro mine (also known as Paracatu) in Brazil from Rio Tinto Plc. ("Rio Tinto"). The RPM gold mine is located near Brasilia in the state of Minas Gerais, Brazil. It has been in operation since 1987. As a result of this transaction the Company now owns 100% of the property and is the operator. Kinross acquired its 49% interest in the mine on January 31, 2003 when it merged with TVX. Consideration of $257 million was paid in cash on completion of the acquisition from Rio Tinto after finalizing the working capital adjustment. The Company financed the transaction with a combination of cash and debt.

On January 25, 2005, the Company informed employees and local government officials that it would not proceed with the development of the Tsokol vein located near the Kubaka mill. Omolon management is currently re-working their mine plan based on this announcement. Should closure of the Kubaka operation become the best alternative, this would take place only after completing the mining and milling of the Birkachan open pit and Central Zone Kubaka underground ore body, and the milling of the existing Kubaka stockpiles. This would provide feed for the mill for approximately 12 months. Closure would take place over an additional 12-month period. Development of the Birkachan deposit is still being considered.

On January 27, 2005, the Company and its joint venture partner High River Gold Mines Ltd., announced that a decision has been made by the joint venture to discontinue development at the New Britannia mine. Exploration efforts were unable to define an extension of the ore body containing better grade and thickness than was mined in mid-2004. New Britannia suspended mining and milling operations in September 2004, and exploration of the potential extension in December 2004. The mine was placed on care and maintenance.

On February 3, 2005, Kinross announced that following a lengthy review of the manner in which it had accounted for goodwill in connection with the business combination with TVX and Echo Bay, its financial statements and related auditor's report for the year ended December 31, 2003 could no longer be relied upon. In this connection, Kinross hired an independent firm of valuators to provide evaluations of the acquired assets as of January 31, 2003, December 31, 2003 and December 31, 2004. As a result of the valuations and changed accounting treatment, Kinross restated its 2003 audited financial statements and its 2003 and 2004 interim financial statements. See the notes to Kinross' audited financial statements for the year ended December 31, 2004.

On March 23, 2005, the Company announced the appointment of Tye Burt as President and Chief Executive Officer of the Company. Mr. Burt replaced Robert Buchan who had announced his intention to step down in January 2005. See "Directors and Officers — Tye W. Burt".

On November 30, 2005 Kinross announced that Deloitte & Touche LLP would not stand for reappointment as auditors of the Company for the 2005 financial term and that the board of directors appointed KPMG LLP to act as auditors of the Company for the 2005 financial term.

On December 29, 2005, Kinross entered into a definitive agreement whereby it will sell its Aquarius gold property to St Andrew Goldfields Ltd. in exchange for 100 million common shares of St Andrew and warrants to acquire 25 million St Andrew common shares at a price of Cdn.$0.17 per share for a period of 24 months. The transaction is contingent on St Andrew posting satisfactory financial assurance bonding relating to the Aquarius project and is expected to close in the first half of 2006.

In March 2006, Kinross announced the appointment of Mr. Thomas Boehlert as Executive Vice President and Chief Financial Officer of Kinross. His appointment will be effective on April 7, 2006.

On March 30, 2006, Kinross announced the adoption of a shareholders rights plan.

DESCRIPTION OF THE BUSINESS

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

Property	Location	Property Ownership
Fort Knox Mine[1]	Fairbanks, Alaska, United States	100%[2]
Porcupine Joint Venture[3]	Timmins, Ontario, Canada	49%
La Coipa[4]	Chile	50%
Paracatu[5]	Brazil	100%
Refugio	Chile	50%
Round Mountain[6]	Nevada, United States	50%

(1) The True North property is subject to various net smelter return royalties, ranging from 3.5% to 5%.

(2) Kinross holds a 100% interest in the properties forming part of the Fort Knox mine except for the Gil property in which Kinross holds an 80% interest.

(3) The Porcupine Joint Venture was formed pursuant to an agreement with Placer CLA dated July 1, 2002. In early 2006, Placer Dome was acquired by Barrick Gold Corporation. It owns and operates interests in two mining properties: the Hoyle Pond mine and the Dome mine. The Hoyle Pond mine is subject to two tonnage based royalties for which no expenses were accrued in 2003. A 2% net smelter royalty is payable on production from the Preston, Paymaster and Vedron properties.

(4) No royalties are applicable on gold and silver produced but an annual preferred dividend of $1.8 million is payable.

(5) The Paracatu mine is subject to a royalty 0.33% of net sales, a mining tax of 1% of net sales and a profits tax of 3% of net sales.

(6) The Round Mountain mine is subject to a net smelter returns royalty ranging from 3.53% to 6.35%. Production is also subject to a gross revenue royalty of 3.0%

In addition, Kinross holds a 98.1% interest in the Kubaka mine, situated in Magadan Oblast, Russia, a 50% interest in the Crixas mine, situated in Brazil, a 31.9% interest in the Musselwhite mine in Ontario, Canada, a 100% interest in the Blanket mine, situated in Zimbabwe, Africa, a 100% interest in the Kettle River mine in Washington, United States, a 100% interest in the Lupin mine in Nunavut Territory, Canada, a 50% interest in the New Britannia mine in Manitoba, Canada and other mining properties in various stages of exploration, development, reclamation, and closure. The Company's principal product is gold and it also produces silver.

Employees

At December 31, 2005, Kinross and its subsidiaries employed over 4,000 persons. Kinross' employees in the United States and Canada are predominately non-unionized. At the Porcupine Joint Venture a three-year Collective Bargaining Agreement was ratified on November 1, 2005. Kinross considers its employee relations to be good.

Competitive Conditions

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

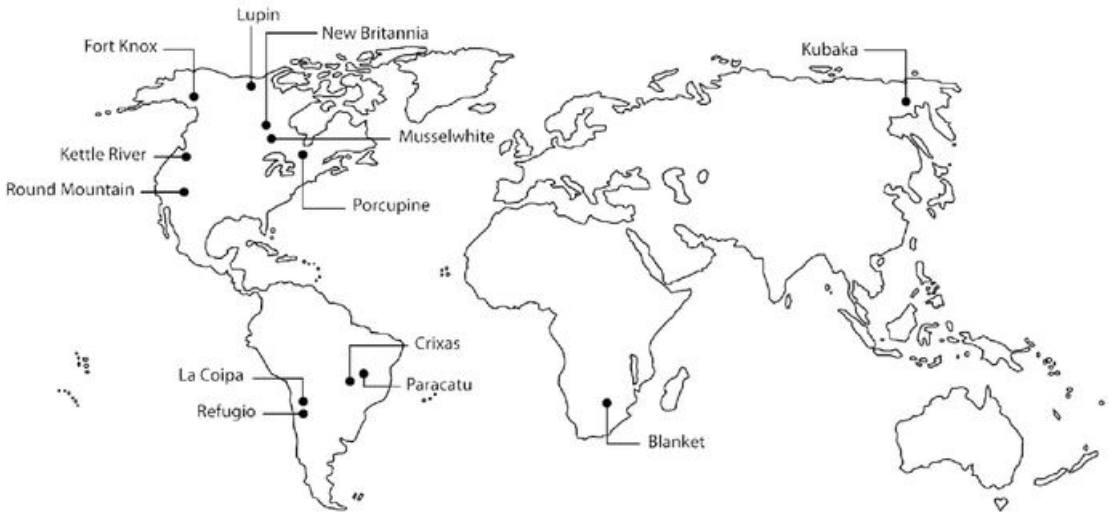
Environmental Protection

General

Kinross' exploration activities and mining and processing operations are subject to the federal, state, provincial, regional and local environmental laws and regulations in the jurisdictions in which Kinross' facilities are located, such as (in the United States) the Clean Air Act; the Clean Water Act; the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right to Know Act; the Endangered Species Act; the Federal Land Policy and Management Act; the National Environmental Policy Act; the Resource Conservation and Recovery Act; and related state laws. Kinross is subject to similar laws in other jurisdictions in which it operates. In all jurisdictions in which Kinross operates, environmental licenses, permits and other regulatory approvals are required in order to engage in exploration, mining and processing, and mine closure activities. Regulatory approval of a detailed plan of operations and a comprehensive environmental impact assessment is required prior to initiating mining or processing activities or for any substantive change to previously approved plans. In all jurisdictions in which Kinross operates, specific statutory and regulatory requirements and standards must be met throughout the life of the mining or processing operations in regard to air quality, water quality, fisheries and wildlife protection, archaeological and cultural resources, solid and hazardous waste management and disposal, the management and transportation of hazardous chemicals, toxic substances, noise, community right-to-know, land use, and reclamation. Kinross is currently in compliance in all material respects with all applicable environmental laws and regulations. Details and quantification of the Company's reclamation and remediation obligations are set out in Note 10 to the audited consolidated financial statements of the Company for the years ended December 31, 2005.

Operations

Kinross' share of production in 2005 was derived from the mines in North America (63%), South America (28%) and Russia (9%).



Gold Equivalent Production (Ounces)

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

	Years ended December 31,		
	2005	2004	2003
Gold equivalent production — ounces	1,608,805	1,653,784	1,620,410
Gold sales — ounces (excluding equivalent accounted ounces)	1,575,267	1,585,109	1,541,577

Included in gold equivalent production is silver production converted into gold production using a ratio of the average spot market prices of gold and silver for the three comparative years. The ratios were 60.79:1 in 2005; 61.46:1 in 2004 and 74.79:1 in 2003.

The following table sets forth the gold equivalent production for Kinross' interest in each of its operating assets during the last three years:

	Years ended December 31,		
	2005	2004	2003
North America:			
Fort Knox	329,320	338,334	391,831
Round Mountain[1][5]	373,947	387,785	364,271
Porcupine Joint Venture[2]	183,976	193,799	223,960
Musselwhite[1][7]	79,916	76,640	64,978
New Britannia[1][5]	—	23,652	31,627
Kettle River	68,146	96,789	—
Lupin[3]	—	66,577	56,008
South America:			
Paracatu[1][6]	180,522	92,356	91,176
Refugio[5]	30,580	9,809	—
La Coipa[1][5]	125,991	150,887	144,125
Crixás[1][5]	96,212	93,540	86,698
Other Operations:			
Kubaka[4]	140,195	123,616	164,006
Other[8][9]	—	—	1,730
Total	1,608,805	1,653,784	1,620,410

(1) 2003 production data is for the eleven months from February to December.

(2) Reflects Kinross' 49% ownership interest in the Porcupine Joint Venture.

(3) Lupin did not operate in 2005. 2004 production data is for the period March 1, 2004 to December 31, 2004. 2003 production data is for period January 31, 2003 to August 2003 when mining operations were suspended.

(4) Represents Kinross' 54.7% ownership interest to February 28, 2003, and a 98.1% interest thereafter.

(5) Represents Kinross' 50% ownership interest.

(6) Represents Kinross' 49% ownership interest until December 31, 2004 and 100% thereafter.

(7) Represents Kinross' 31.9% ownership interest.

(8) Includes proportionate share of Denton-Rawhide and Andacollo production, attributable to the ownership interest in Pacific Rim Mining Corp. (formerly Dayton Mining Corporation) through December 2003, when the ownership interest in Pacific Rim was sold.

(9) Includes Blanket mine. Because of the economic and political conditions and the negative impact of inflationary pressures in Zimbabwe, the Blanket mine was written off in 2001. Kinross commenced cost accounting for this investment in 2002 and ceased reporting its production in 2003.

Marketing

Gold is a metal that is traded on world markets, with benchmark prices generally based on the London market (London fix). Gold has two principal uses: product fabrication and bullion investment. Fabricated gold has a wide variety of end uses, including jewelry manufacture (the largest fabrication component), electronics, dentistry, industrial and decorative uses, medals, medallions, and official coins. Gold bullion is held primarily as a store of value and a safeguard against the collapse of paper assets denominated in fiat currencies. Kinross sells all of its refined gold to banks, bullion dealers, and refiners. In 2005, sales to four customers totaled $183.8 million, $96.0 million, $93.2 million, and $71.8 million, respectively. In 2004, sales to four customers totaled $190.2 million, $108.5 million and $98.5 million and $88.4 million, respectively. In 2003, sales to three customers totaled $139.9 million, $121.4 million and $96.2 million, respectively. Due to the size of the bullion market and the above ground inventory of bullion, activities by Kinross will generally not influence gold prices. Kinross believes that the loss of any of these customers would have no material adverse impact on Kinross because of the active worldwide market for gold.

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

Year	High	Low	Average
1998	$ 313.15	$ 273.40	$ 294.09
1999	$ 325.50	$ 252.80	$ 278.57
2000	$ 312.70	$ 263.80	$ 279.11
2001	$ 293.25	$ 255.95	$ 271.04
2002	$ 349.30	$ 277.75	$ 309.68
2003	$ 416.25	$ 319.90	$ 363.32
2004	$ 454.20	$ 375.00	$ 409.17
2005	$ 536.50	$ 411.10	$ 444.45

Mineral Reserves and Mineral Resources

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

MINERAL RESERVE AND RESOURCE STATEMENT
PROVEN AND PROBABLE MINERAL RESERVES[1,3,5,6,7]
Kinross Gold Corporation's Share at December 31, 2005

			Proven			Probable			Proven and Probable		
Property	Location	Kinross Interest	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		(%)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)
GOLD											
NORTH AMERICA											
Fort Knox	USA	100.0%	43,902	0.63	890	38,270	0.86	1,063	82,172	0.74	1,953
Round Mtn and area[14]	USA	50.0%	42,649	0.77	1,056	82,364	0.48	1,282	125,012	0.58	2,338
Porcupine JV[12]	Canada	49.0%	10,693	1.33	457	20,255	1.84	1,196	30,949	1.66	1,653
Musselwhite[11]	Canada	31.9%	1,833	5.51	325	1,599	6.12	315	3,433	5.79	639
Kettle River	USA	100.0%	39	11.43	14	—	—	—	39	11.43	14
SUBTOTAL			**99,117**	**0.86**	**2,742**	**142,488**	**0.84**	**3,855**	**241,605**	**0.85**	**6,598**
SOUTH AMERICA											
Paracatu	Brazil	100.0%	1,103,677	0.40	14,194	83,131	0.38	1,016	1,186,808	0.40	15,210
La Coipa[12]	Chile	50.0%	5,549	1.57	280	2,920	1.24	117	8,469	1.46	397
Refugio	Chile	50.0%	58,454	0.87	1,643	20,752	0.77	515	79,206	0.85	2,158
Crixas[10]	Brazil	50.0%	632	4.72	96	1,232	7.14	283	1,864	6.32	379
SUBTOTAL			**1,168,312**	**0.43**	**16,213**	**108,035**	**0.56**	**1,930**	**1,276,346**	**0.44**	**18,143**
ASIA											
Kubaka and area[16,17]	Russia	98.1%	79	3.42	9	—	—	—	79	3.42	9
SUBTOTAL			**79**	**3.42**	**9**	**—**	**—**	**—**	**79**	**3.42**	**9**
TOTAL GOLD			**1,267,508**	**0.47**	**18,964**	**250,522**	**0.72**	**5,785**	**1,518,030**	**0.51**	**24,749**

MINERAL RESERVE AND RESOURCE STATEMENT
PROVEN AND PROBABLE MINERAL RESERVES[1,3,5,6,7]
Kinross Gold Corporation's Share at December 31, 2005

			Proven			Probable			Proven and Probable		
Property	Location	Kinross Interest	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		(%)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)
SILVER											
SOUTH AMERICA											
La Coipa[12]	Chile	50.0%	5,549	78.8	14,056	2,920	110.1	10,334	8,469	89.6	24,389
SUBTOTAL			**5,549**	**78.8**	**14,056**	**2,920**	**110.1**	**10,334**	**8,469**	**89.6**	**24,389**
ASIA											
Kubaka and area[16,17,19]	Russia	98.1%	79	6.4	16	—	—	—	79	6.4	16
SUBTOTAL			**79**	**6.4**	**16**	**—**	**—**	**—**	**79**	**6.4**	**16**
TOTAL SILVER			**5,628**	**77.8**	**14,072**	**2,920**	**110.1**	**10,334**	**8,548**	**88.8**	**24,405**

Rounding differences may occur

Cautionary Note to United States Investors Concerning Estimates of Measured and Indicated Resources

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

MINERAL RESERVE AND RESOURCE STATEMENT
MEASURED AND INDICATED MINERAL RESOURCES
(EXCLUDES PROVEN AND PROBABLE RESERVES)[2,3,4,6,7,8]
Kinross Gold Corporation's Share at December 31, 2005

			Measured			Indicated			Measured and Indicated		
Property	Location	Kinross Interest	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		(%)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)
GOLD											
NORTH AMERICA											
Fort Knox and area[13]	USA	100.0%	4,582	0.75	110	44,280	0.59	838	48,862	0.60	948
Round Mtn and area[14]	USA	50.0%	5,992	0.64	124	10,071	0.53	172	16,062	0.57	295
Porcupine JV[12,15]	Canada	49.0%	1,077	3.68	127	8,238	2.51	666	9,315	2.65	793
Musselwhite[11]	Canada	31.9%	624	4.20	84	285	5.91	54	909	4.74	138
Kettle River	USA	100.0%	—	—	—	—	—	—	—	—	—
SUBTOTAL			**12,274**	**1.13**	**445**	**62,873**	**0.86**	**1,730**	**75,147**	**0.90**	**2,175**
SOUTH AMERICA											
Paracatu	Brazil	100.0%	89,784	0.27	771	5,540	0.38	68	95,324	0.27	839
La Coipa[12]	Chile	50.0%	6,788	0.88	192	1,854	0.92	55	8,642	0.89	247
Refugio	Chile	50.0%	20,606	0.71	469	20,644	0.70	465	41,250	0.70	934
Crixas[10,18]	Brazil	50.0%	222	8.96	64	171	9.03	50	392	8.99	113
Gurupi[9,20]	Brazil	100.0%	—	—	—	47,050	1.08	1,632	47,050	1.08	1,632
SUBTOTAL			**117,400**	**0.40**	**1,496**	**75,258**	**0.94**	**2,268**	**192,657**	**0.61**	**3,765**
ASIA											
Kubaka and area[16,17]	Russia	98.1%	—	—	—	376	13.10	158	376	13.10	158
SUBTOTAL			**—**	**—**	**—**	**376**	**13.10**	**158**	**376**	**13.10**	**158**
TOTAL GOLD			**129,674**	**0.47**	**1,941**	**138,507**	**0.93**	**4,156**	**268,180**	**0.71**	**6,098**

MINERAL RESERVE AND RESOURCE STATEMENT
MEASURED AND INDICATED MINERAL RESOURCES
(EXCLUDES PROVEN AND PROBABLE RESERVES)[2,3,4,6,7,8]
Kinross Gold Corporation's Share at December 31, 2005

			Measured			Indicated			Measured and Indicated		
Property	Location	Kinross Interest	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
		(%)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)	(x 1,000)	(g/t)	(x 1,000)
SILVER											
SOUTH AMERICA											
La Coipa[12]	Chile	50.0%	6,788	37.5	8,178	1,854	61.0	3,635	8,642	42.5	11,813
SUBTOTAL			**6,788**	**37.5**	**8,178**	**1,854**	**61.0**	**3,635**	**8,642**	**42.5**	**11,813**
ASIA											
Kubaka and area[16,17,19]	Russia	98.1%	—	—	—	376	14.3	173	376	14.3	173
SUBTOTAL			**—**	**—**	**—**	**376**	**14.3**	**173**	**376**	**14.3**	**173**
TOTAL SILVER			**6,788**	**37.5**	**8,178**	**2,229**	**53.1**	**3,808**	**9,017**	**41.3**	**11,986**

Rounding differences may occur

NOTES TO THE 2005 MINERAL RESERVE AND RESOURCE STATEMENT

(1) Unless otherwise noted, the Company's reserves are estimated using appropriate cut-off grades derived from an assumed gold price of US$ 400 per oz, and a silver price of US$ 6.00 per oz. Reserves are estimated using current and/or projected process recoveries, operating costs and mine plans that are unique to each property and include estimated allowances for dilution and mining recovery. Reserves are estimated based on the following foreign exchange rates:

CAD$ to US$ — 1.25
Rubles to US$ — 29.00
Chilean Peso to US$ — 575.00
Brazilian Reais to US$ — 2.65

(2) Unless otherwise noted, the Company's resources are estimated using appropriate cut-off grades derived at a gold price of US$ 450 per oz, a silver price of US$ 7.00 per oz and the following foreign exchange rates:

CAD$ to US$ — 1.25
Rubles to US$ — 29.00
Chilean Peso to US$ — 575.00
Brazilian Reais to US$ — 2.65

(3) The Company's reserves and resources as at December 31, 2005 are classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definition and Guidelines" as per Canadian Securities Administrator's National Instrument 43-101 ("the Instrument") requirements.

(4) **Cautionary note to US Investors concerning estimates of measured, indicated and inferred resources.**

US Investors are advised that use of the terms "measured resource", "indicated resource" and "inferred resource" are recognized and required by Canadian Securities regulations. These terms are not recognized by the U.S. Securities and Exchange Commission. **U.S. investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves or recovered.**

(5) The mineral reserves presented herein comply with the reserve categories of Industry Guide 7 applied in the United States by the Securities and Exchange Commission.

(6) Mineral resource and reserve estimates were prepared under the supervision of Mr. Rod Cooper, P. Eng, who was an officer of Kinross, and is a qualified person as defined by Canada's National Instrument 43-101. Mr. Wes Hanson was the qualified person who supervised the preparation of the technical reports relating to the Paracatu and Round Mountain properties. Mr. Hanson is an officer of Kinross.

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

(8) Resources, unlike reserves, do not have demonstrated economic viability.

(9) Undeveloped property, development assumes successful permitting allowing mining operations to be conducted.

(10) Operated by AngloGold Ltd and assumes the following foreign exchange rate:

Reserves and Resources:

Brazilian Reais to US$ — 2.50

(11) Operated by Placer Dome Inc. and assumes the following foreign exchange rate:

CAD$ to US$ — 1.25

(12) Operated by Placer Dome Inc. and assumes the following foreign exchange rates:

Reserves:

CAD$ to US$ — 1.30; Chilean Peso to US$ — 600.00

Resources:

CAD$ to US$ — 1.22; Chilean Peso to US$ — 600.00

(13) Includes mineral resources from the undeveloped Gil deposit in which the Company holds an 80% interest.

(14) Includes mineral reserves and resources from the undeveloped Gold Hill deposit, exploitation of which is dependent on successful permitting.

(15) Includes mineral resources from undeveloped properties, exploitation of which is dependent on successful permitting.

(16) Includes mineral reserves and mineral resources from the Birkachan deposit. Open pit and underground mining at Birkachan will require successful permitting.

(17) Includes mineral resources from the undeveloped Tsokol deposit, exploitation of which is dependent on successful permitting.

(18) Mineral resources reported at a gold price of US$475 per ounce.

(19) Mineral reserves reported at a silver price of US$6.50 per ounce, mineral resources reported at a silver price of US$7.50 per ounce.

(20) Mineral resources estimated assuming a foreign exchange rate of 3.00 Brazilian Reais per US$1.00.

(21) In addition to the reported measured and indicated resources estimated at a gold price of $450, inferred resources total 92,490,000 tonnes at an average grade of 0.98 grams per tonne gold. Inferred silver resources total 491,000 tonnes at an average grade of 49.9 grams per tonne using a $7.00 silver price.

(22) In light of the economic and political conditions and the negative impact of inflationary cost pressures in Zimbabwe, the Blanket mine was written down in 2001 and Kinross discontinued consolidation of the results of this operation in 2002. However, the mine did report proven and probable reserves at December 31, 2005, estimated at a gold price of $400 per ounce, of 3,223,000 tonnes at an average grade of 4.24 grams per tonne or 439,600 ounces of gold. Measured and Indicated resources, estimated at a gold price of $450 per ounce, totaled 431,000 tonnes at an average grade of 4.08 grams per tonne or 56,500 ounces of gold. Blanket also had 2,064,000 tonnes of Inferred resource at an average grade of 6.31 grams per tonne.

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

Property	Average Process Recovery	Average Cutoff Grade(s)	Foreign Exchange Rates	Unit Cost	Reserve Drill Spacing	
					Proven	Probable
	(%)	(gpt)	(per U.S. $)	(U.S. $/tonne)	(m)	(m)
GOLD						
Fort Knox and area	87.30%	0.43	—	$4.59	30.5	61.0
Round Mountain and area	16.0% to 85.0%	0.21 to 0.90	—	$0.75 to $3.98	15.2	30.5
Porcupine Joint Venture	87.6% to 90.6%	0.65 to 8.85	1.30	$8.12 to $82.07	7.6	48.8
Musselwhite	95.00%	3.70	1.25	$56.46	50.0	50.0
Kettle River	87.90%	6.35	—	$68.22	22.9	22.9
Paracatu (Brasília)	79.70%	0.21	2.65	$2.63	100.0	150.0
La Coipa	71.9% to 87.5%	0.45 to 0.92	600.00	$9.61 - $11.76	25.0	50.0
Refugio	53 to 85%	0.35 to 0.62	575.00	$4.70 - $7.08	30.0	60.0
Crixás	90.0% to 96.7%	1.91 to 2.63	2.50	$20.46 - $29.83	25.0	50.0
Kubaka and area*	97.50%	2.32	29.00	$24.79	—	—
SILVER						
La Coipa	45.3% to 71.7%	28.0 to 58.4	600.00	$9.61 - $11.76	25.0	50.0

* Remaining reserves at Kubaka are in stockpiles

Reserve reconciliation is shown in the following table:

Gold Reserves

Mining Operation	2004 Reserves @$U.S. 350/oz	Production Depletion	Reserve Growth or Depletion	2005 Reserves @$U.S. 400/oz
	(ozs Au × 1,000)	(ozs Au × 1,000)	(ozs Au × 1,000)	(ozs Au × 1,000)
Fort Knox	2,858	(389)	(517)	1,953
Kubaka	258	(91)	(158)	9
Refugio	1,717	(87)	528	2,158
Round Mountain	1,475	(407)	1,270	2,338
Kettle River	54	(45)	5	14
Porcupine Joint Venture	1,685	(193)	161	1,653
Musselwhite	607	(85)	117	639
La Coipa	506	(99)	(10)	397
Crixás	432	(99)	46	379
Paracatu (Brasília)	8,463	(244)	6,991	15,210
Total	18,055	(1,737)	8,432	24,749

Silver Reserves

Mining Operation	2004 Reserves @$U.S. 5.50/oz	Production Depletion	Reserve Depletion	2005 Reserves @$U.S. 6.00/oz
	(ozs Au × 1,000)	(ozs Au × 1,000)	(ozs Au × 1,000)	(ozs Au × 1,000)
La Coipa	32,480	(4,705)	(3,387)	24,389
Kubaka	368	(180)	(173)	16
Subtotal	32,848	(4,885)	(3,560)	24,405

Note: Totals may not add, due to rounding.

The following table reflects proven reserves attributable to Kinross' ownership interest in the indicated mines contained in stockpiles:

Property	Location	Kinross Interest	Tonnes	Proven Grade	Ounces
		(%)	(000s)	(gpt)	(000s)
GOLD					
Fort Knox	USA	100.00%	27,456	0.46	402
Round Mountain	USA	50.00%	19,131	0.46	286
Porcupine Joint Venture	Canada	49.00%	7,419	0.91	216
Musselwhite	Canada	31.90%	19	2.31	2
Kettle River	USA	100.00%	1	8.33	—
Crixas	Brazil	50.00%	43	6.97	10
Paracatu	Brazil	100.00%	602	0.43	8
Kubaka	Russia	98.10%	79	3.42	9
La Coipa	Chile	50.00%	1,403	0.68	31
SILVER					
Kubaka	Russia	98.10%	79	6.4	16
La Coipa	Chile	50.00%	1,403	43.9	1,980

Material Properties

Fort Knox Mine and Area, Alaska

Kinross is the owner of the Fort Knox mine located in Fairbanks North Star Borough, Alaska. The Fort Knox mine includes the main Fort Knox open pit mine, mill, and tailings storage facility, and an 80% ownership interest in the Gil property that is subject to a joint venture agreement with Teryl Resources Corp ("Teryl"), and the True North open pit mine (which is now currently suspended). Kinross' ownership interest in the Fort Knox mine was acquired as a result of the acquisition of Kinam on June 1, 1998. The Fort Knox property has been pledged as security against Kinross' syndicated credit facility.

Detailed financial production and operational information for the Fort Knox mine is available in Kinross' management's discussion and analysis for the year ended December 31, 2005 (the "MD&A").

Property Description and Location

Fort Knox Open Pit

The Fort Knox open pit mine, mill and mineral claims cover approximately 22,544 hectares located 42 kilometers northeast of the City of Fairbanks, Alaska. Kinross owns 1,168 State of Alaska mining claims covering an area of approximately 22,042 hectares, an additional 502 hectares of mineral rights comprised of an Upland Mineral Lease issued by the State of Alaska, a Millsite Lease, and one unpatented federal lode mining claim. The Upland Mineral Lease expires in 2014 and may be renewed for a period not to exceed 55 years. Mineral reserves at the Fort Knox mine are situated on 505 hectares of land that are covered by a State of Alaska Millsite Lease that expires in 2014, and may be renewed for a period not to exceed 55 years.

The State of Alaska Millsite Lease carries a 3% production royalty, based on net income and recovery of the initial capital investment. Mineral production from State mining claims is subject to a Mine License Tax, following a three-year grace period after production commences. The license tax ranges from 3% to 7% of taxable income. There has been no production from State claims situated outside the boundaries of the Millsite Lease at the Fort Knox mine. The unpatented federal lode claim is owned by Kinross and is not currently subject to any royalty provisions. Kinross paid a royalty of $0.14 million in 2004, but none in 2005.

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

Gil Property

The Gil property mineral claims cover approximately 2,700 hectares located contiguous to the Fort Knox claim block. The claim block consists of 167 State of Alaska mining claims and is subject to a joint venture agreement between Kinross and Teryl. Kinross' ownership interest in the Gil claim block is 80%. All production from the State of Alaska mining claims is subject to the State of Alaska Mine License Tax following a three-year tax grace period after production commences. The State of Alaska Mine License tax is graduated from 3% to 7% of taxable income. Kinross continues to actively explore the Gil claims.

True North Open Pit

The True North open pit mine mineral claims cover approximately 3,804 hectares, located 43 kilometers northeast of the City of Fairbanks, Alaska. Kinross owns 104 State of Alaska mining claims, covering 1,619 hectares which are subject to a State production royalty tax of 3%. Mineral reserves are situated on two groups of State claims that Kinross has leased from private individuals. Mineral production to date has been from one of the leased claim blocks. Mineral leases have been executed with third parties for an additional 138 State mining claims that cover approximately 2,094 hectares. Leased claims are subject to net smelter return royalties ranging from 3.5% to 5%. Kinross paid royalties of $0.37 million in 2004 and $0.022 million in 2005 on True North production. Mining at the True North open pit has been suspended.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The Fort Knox mine is situated in close proximity to the City of Fairbanks, which is a major population, service and supply center for the interior region of Alaska. Services, supplies, fuel and electricity are available in Fairbanks in ample quantities to support the local and regional needs, along with the mining and processing operations of Kinross.

Access to the Fort Knox mine from Fairbanks, Alaska is by 34 kilometers of paved highway and eight kilometers of unpaved road. The True North mine is located 18 kilometers west of the Fort Knox property and is accessible by an unpaved road. The area has a sub-arctic climate, with long cold winters and short summers. Winter low temperatures drop to the range of –40 to –48 Celsius (–40 to –55 degrees Fahrenheit), while in the summer, highs may occasionally exceed 32 degrees Celsius (90 degrees Fahrenheit). The annual rainfall in Fairbanks is approximately 30 centimeters.

The area topography consists of rounded ridges with gentle side slopes. Vegetation includes spruce, birch and willow trees and various shrubs, grasses and mosses. The elevation ranges from 1,000 to 1,600 meters.

The Fort Knox milling operation obtains its process makeup water from a fresh water reservoir located within the permitted property area. The tailings storage area on site has adequate capacity for the remaining mine life of the Fort Knox and the True North mines. Power is provided to the mine by Golden Valley Electric Association's power grid serving the area over a distribution line paid for by Kinross.

History

An Italian prospector named Felix Pedro discovered gold in the Fairbanks mining district in 1902. Between 1902 and 1993 more than 8.0 million ounces of predominately placer gold were mined in the district. In 1984 a geologist discovered visible gold in granitic hosted quartz veins on the Fort Knox property. Between 1987 and 1991, a number of companies conducted extensive exploration work on the Fort Knox, True North and Gil properties. In 1991, Kinam (now a subsidiary of Kinross) entered into a joint venture agreement with Teryl to explore the Gil property. In 1992, Kinam acquired ownership of the Fort Knox property. Construction of the Fort Knox mine and mill operations began in 1995 and were completed in 1997. Commercial production at Fort Knox was achieved on March 1, 1997. Construction of the mine was completed at a capital cost of approximately $373 million, which included approximately $28 million of capitalized interest. After acquiring ownership of the True North property in 1999, Kinross completed pre-production capital expenditures, primarily permitting and the building of a haulage road to the Fort Knox mill. Commercial production at True North was achieved on April 1, 2001, but is currently suspended.

Geology and Mineralization

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

The Fairbanks district is situated in the northwestern part of a geologic formation called the Yukon — Tanana Terrane (YTT). The YTT consists of a thick sequence of Precambrian to upper Paleozoic metamorphic rocks. The dominant rock types in the district are gray to brown, fine-grained micaceous schist and micaceous quartzite known as the Fairbanks Schist. The Cleary Sequence, a varied assemblage of metavolcanic rocks, is interlayered with the Fairbanks Schist. Higher grade metamorphic rocks of the Chatanika Terrane outcrop in the northern part of the district. Granodiorite to granite igneous bodies intrude YTT rocks.

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

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

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

Gold distribution exhibits good continuity in the shear zones but is less predictable in the stockwork zones. Host rock grain size and intrusive phase contacts appear to influence location of shear zones. Gold particles within shear zones are relatively uniformly distributed and are generally less than 100 microns in size. Gold particle size and distribution are much more erratic in the stockwork vein zones. The sulfide content of the deposit is very low.

The True North gold deposit is located in the Chatanika Terrane. Gold is hosted in mafic to felsic schists and is frequently accompanied by carbon and carbonate alteration in sheared or otherwise structurally prepared zones. The gold is very fine grained, and is closely associated with pyrite, arsenopyrite, and stibnite in the unoxidized zones. It occurs in quartz veins, and in altered and brecciated rocks. There appears to be a direct relationship between veining and gold content, as weakly veined rocks generally carry lower gold values.

Exploration

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

Two types of drilling methods have been used, diamond core and reverse circulation ("RC"). Drilling and drill hole sampling is completed by independent drilling contractors under the close supervision of Kinross personnel. Independent commercial laboratories perform gold assays and geochemical analyses. Historically, Kinross has utilized the services of two firms — ALS Chemex Laboratories and Bondar-Clegg (now owned by the ALS Chemex group). Check assay work during 2003 was switched to American Assay Laboratories, Inc. after Bondar-Clegg was acquired by the ALS Chemex group.

Kinross' regional exploration within the Fairbanks district totaled $0.6 million during 2004 and approximately the same in 2005.

Drilling, Sample Preparation and Analysis

Core and RC drilling are routinely utilized to explore for and define mineral deposits in the Fairbanks mining district. Core drilling produces continuous cylindrical samples of rock by means of an annular shaped, diamond impregnated bit rotated by a bore hole drilling machine. Core drilling, also referred to as diamond drilling, is commonly used to collect continuous, intact rock samples for detailed geologic logging and sampling, for geotechnical and rock strength tests, metallurgical tests, or because alternative drilling methods may not provide adequate or appropriate geological materials.

RC is a method of rotary or percussion drilling that utilizes dual wall drill pipe. The drilling medium (air, water, foam drilling muds, and additives) is circulated to the drill bit face down through the outside annulus from the surface. The drilling medium then carries rock fragments produced by the drill bit to the surface through the center of the drill rods. This method reduces down hole contamination by isolating the drilling medium and rock cuttings from the hole wall. RC drilling is a generally accepted method that is commonly used in mineral exploration and development drilling programs throughout the world.

Comprehensive drilling programs have been carried out at the Fort Knox deposit. The Fort Knox deposit has been defined by 684 drill holes (267 core holes and 417 RC holes totaling 443,318 feet), which have provided 88,663 nominal 1.52-meter long samples.

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

RC drill samples are labeled and placed in bags at the drill site and prepared for transport to commercial laboratories for preparation and assay. Core samples are prepared for shipment at a central logging facility. All samples are either delivered to the preparation facility by Kinross personnel, or are picked up at a Kinross facility by employees of the laboratory.

Duplicate samples are collected from every tenth sample and a check assay is performed and compared to the original assay. As a form of quality control, the inclusion of "blank" (unmineralized) samples within each sample shipment is part of the standard procedure.

A standard pulp sample of known grade is also submitted to the laboratory. The sample frequency is twice per core hole, and every 30 meters for RC holes. These standards are prepared both in-house and by outside laboratories over the different exploration seasons, and they represent different ranges of gold grades.

At the True North deposit samples with fire assays greater than 0.3 grams per tonne are resubmitted to the laboratory for a cyanide soluble assay. The purpose of this procedure is to estimate mill recovery rates.

The nature of the mineralization and host rock at the Fort Knox deposit requires that particular care be given to the collection of drill hole samples, especially for RC holes, that penetrate the water table within the deposit. Kinross employs, as a standard operating procedure, an analysis program for determining if a particular RC drill sample is representative of the rock within the drill hole. This program includes weighing the samples to determine if the sample is under weight (indicating loss of material in the sampled interval). The presence of unusually high sample weights is often an important indicator of sample contamination in a drill hole. All assay data from mineralized intervals are analyzed by two computer programs (developed by MRDI, an independent mining consulting firm) to determine if there is a predictable repetition (cyclicity) to high grade intervals, or (decay) of assays immediately adjacent to and below high grade intervals, possibly indicating contamination of certain assay values. Any holes suspected of down hole contamination on the basis of these three criteria are compared to adjacent holes on cross-sections and a decision is made to reject or include the data for mineral resource estimations.

Mining and Milling Operations

The Fort Knox and True North deposits are mined by conventional open pit methods. Ore from the Fort Knox and True North mines is processed at Kinross' carbon-in-pulp mill located near the Fort Knox mine. The mill processes ore 24 hours per day year round.

The Fort Knox mill has a daily capacity of between 33,000 to 45,000 tonnes. Mill feed is first crushed to minus 20 centimeters in the primary crusher located near the Fort Knox pit and conveyed 800 meters to a coarse-ore stockpile located near the mill. The crushed material is conveyed to a semi-autogenous (SAG) mill, which operates in closed circuit with two ball mills and a bank of cyclones for sizing. A portion of the cyclone underflow is screened and then directed to a gravity recovery circuit.

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

Gold recoveries at the Fort Knox mill have historically ranged from 87% to more than 90% since production began in 1996. With the commencement of feed from the True North mine in 2001, it has been necessary to add lead nitrate to the process, and make modest increases to the cyanide and lime concentrations to maintain mill recovery rates.

Kinross estimates the net present value of future cash outflows for site restoration costs at Fort Knox and True North under CICA Handbook Section 3110 for the year ended December 31, 2005 at $18.4 million. Kinross has posted $14.7 million of letters of credit to various regulatory agencies in connection with its closure obligation at Fort Knox and True North.

In mid 2005, Kinross initiated studies examining heap leach of low grade ore from the Fort Knox property, with the view of enhancing Fort Knox economics.

Fort Knox Open Pit

The mine production rate varies between 110,000 and 145,000 tonnes per day of total material. Mining is carried out on a year round basis, seven days a week. Standard drilling and blasting techniques are used, and the blast holes are sampled and assayed for production grade control purposes. Broken rock is loaded with a shovel or a wheel loader into haul trucks. Depending on the grade control results, the mined material is delivered to either the primary crusher, low-grade stockpiles, or to waste rock dumps.

Stripping of Phase-6 continued in 2005. Before sustained mill feed rates from Phase-6 can be reached in the first quarter of 2007 on the 1460 bench, 50 million tonnes of waste rock will be mined, at an average rate of 54,400 tonnes per day. Six additional haul trucks and a loader have been added to the mining fleet in order to accomplish the stripping.

Typically, upper Phase-6 benches average 1,400 meters in length, with a mining face width of between 65 and 150 meters. Haul road access to the Phase will be from the northeastern end. Subdividing the Phase would reduce the stripping load, but due to the bench geometry and access limitations, this has not been considered.

During 2005, the Fort Knox open pit experienced failures at the south west wall, and as a result, design changes were made to the pit which caused a decline of 157,000 ounces in mineral reserves of the property.

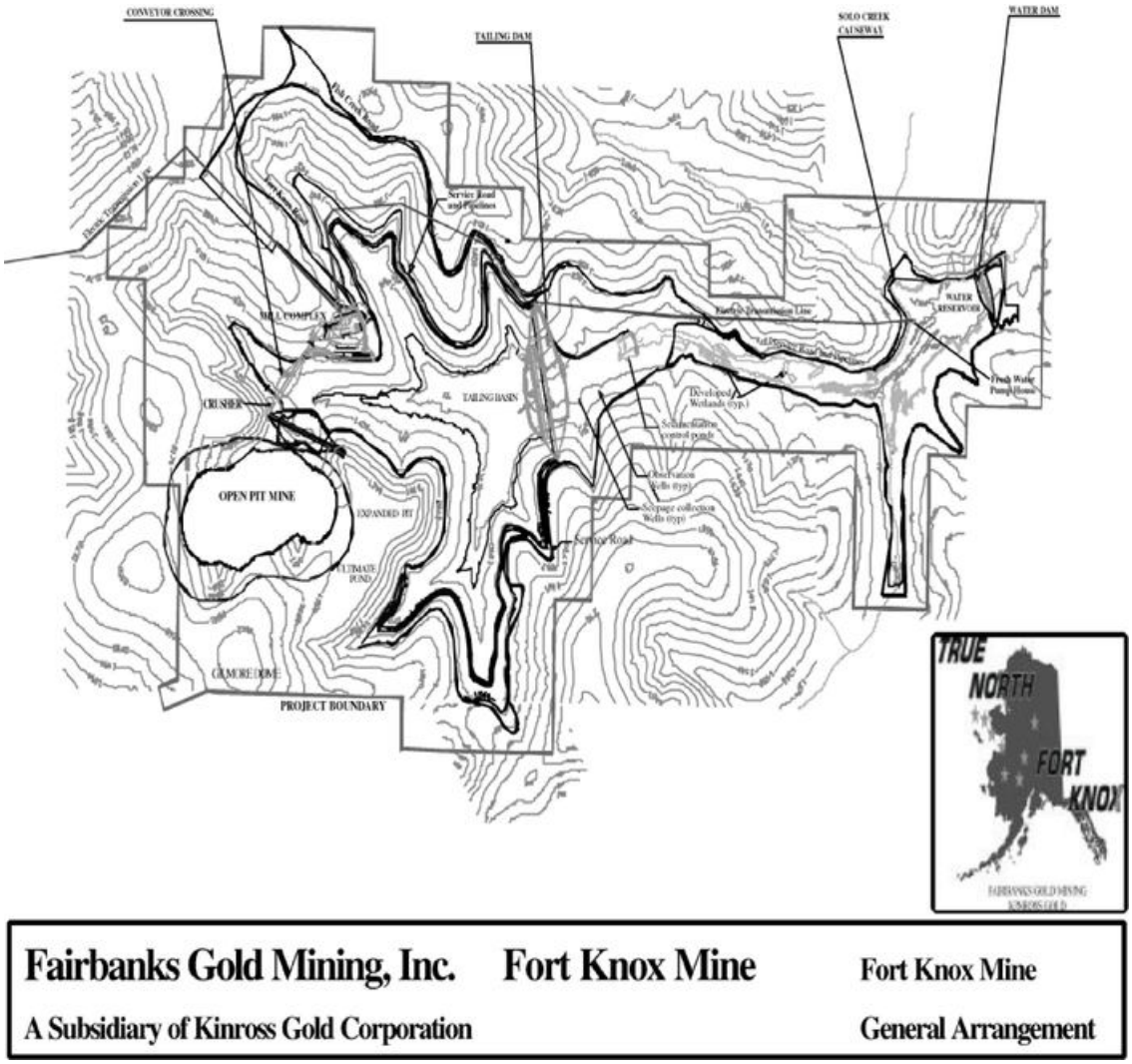
True North Open Pit

Mining at True North has been suspended since the first quarter of 2004.

Life of Mine, and Capital Expenditures

The life of mine plan prepared by Kinross does not incorporate mining at True North. Mining will be primarily derived from the Fort Knox deposit until 2011 when the feed will originate predominantly from the low grade stockpile material.

Capital expenditures for 2005 at the Fort Knox operations were approximately $44.6 million and were mainly attributed to the Phase 6 capital development at the Fort Knox pit.



Fairbanks Gold Mining, Inc. **Fort Knox Mine**

A Subsidiary of Kinross Gold Corporation

Fort Knox Mine

General Arrangement

The Porcupine Joint Venture

General

Kinross and Placer Dome (CLA) Limited ("Placer Dome") entered into an asset exchange agreement (the "Asset Exchange Agreement") and a joint venture agreement, both dated as of July 1, 2002, for the purpose of forming a joint venture that combined the two companies' respective gold mining operations in the Porcupine district in the Timmins area, Ontario, Canada (the "Porcupine Joint Venture"). In early 2006, Placer Dome was acquired by Barrick Gold Corporation. Placer Dome owns a 51% participating interest and Kinross owns a 49% participating interest in the Porcupine Joint Venture. The joint venture is managed by Placer Dome. The Porcupine Joint Venture incorporates Placer Dome's Dome mine and mill, Kinross' Hoyle Pond, Pamour and Nighthawk Lake mines and the Bell Creek mill and other past producing properties in the Timmins area.

Detailed financial, production and operational information for the Porcupine Joint Venture is available in the MD&A.

The Asset Exchange Agreement

Pursuant to the Asset Exchange Agreement which was entered into as a step in implementing the Porcupine Joint Venture, Placer Dome transferred to Kinross an undivided 49% interest in all of Placer's assets owned, used or thereafter acquired by Placer Dome or its affiliates and located within a 100 kilometer radius of Placer Dome's Dome mill in or near Timmins, Ontario (the "Development Area") and used in the gold mining, milling and exploration business and operations carried on by Placer Dome or its affiliates. Kinross in turn transferred to Placer Dome an undivided 51% interest in all of Kinross' assets owned, used or thereafter acquired by Kinross or its affiliates and located within the Development Area and used in the gold mining, milling and exploration business and operations carried on by Kinross or its affiliates. Any interest that Kinross may acquire in and to the project within the Development Area commonly known as the Aquarius Project is excluded from the Porcupine Joint Venture pending agreement between the parties to include it.

Under the Asset Exchange Agreement, Kinross has also transferred all of its contracts relating to its Timmins operations to Placer Dome, and Placer Dome assumed such contracts as manager of the Porcupine Joint Venture for the benefit of both parties and the exclusive use of the Porcupine Joint Venture. Placer Dome's contracts relating to its Timmins operations remain in the name of Placer Dome, which will hold such contracts as manager of the Porcupine Joint Venture for the benefit of both parties and the exclusive use of the Porcupine Joint Venture.

The Porcupine Joint Venture Agreement

In connection with the Asset Exchange Agreement, Kinross and Placer Dome entered into a joint venture agreement. The Porcupine Joint Venture Agreement provides that the purpose of the Porcupine Joint Venture is to engage in operations relating to the mining, milling, exploration and development of the properties subject to the Porcupine Joint Venture, and to perform any other activity necessary, appropriate or incidental to the foregoing.

The term of the Porcupine Joint Venture is from July 1, 2002, and until so long thereafter as ores and mineral resources are produced from the assets forming part of the Porcupine Joint Venture and all reclamation obligations, liabilities or responsibilities under applicable laws or instruments of title relating to operations under the Porcupine Joint Venture have ceased or been satisfied, to a maximum of 99 years, unless the Porcupine Joint Venture is earlier terminated pursuant to the terms of the Porcupine Joint Venture agreement.

Each of Kinross and Placer Dome is obligated to contribute funds from time to time to the Porcupine Joint Venture in proportion to their respective participating interests, pursuant to adopted programs and budgets.

Under the Porcupine Joint Venture a party's participating interest may be reduced upon the election by such party not to contribute to an adopted program and budget for the Porcupine Joint Venture, or in the event of a default by such party in making its agreed upon contribution to an adopted program and budget.

In addition, if a party's participating interest is reduced to less than 10%, the other party may elect that the first party be vested with a 2% net smelter return royalty on ores and minerals mined from the properties subject to the Porcupine Joint Venture and the first party shall be deemed to have transferred its remaining participating interest to the other party.

Porcupine Joint Venture Operations

The Porcupine Joint Venture operations consist of the Dome underground mine, currently on care and maintenance, the Dome open pit mine and mill, the Hoyle Pond underground mine, and the Pamour open pit. The Bell Creek mill and tailings storage facility is presently on care and maintenance with all processing taking place at the Dome mill. In addition, the Porcupine Joint Venture operations consist of a number of former producing mines, including the Bell Creek, Marlhill, and Nighthawk Lake mines. The only producing mines forming part of the Porcupine Joint Venture in Timmins at present are the Dome mine, the Hoyle Pond mine, and the Pamour mine.

Property Description and Location

Hoyle Pond Underground Mine and Bell Creek Mill

The Hoyle Pond underground mine and mineral claims and the Bell Creek mill are located in Hoyle Township in Timmins, Ontario on 4,065 hectares of patented land, land leased from the province and one private lease. The leases expire at various times up to January 2025. Subject to the satisfaction of conditions, the leases can be renewed for additional terms of 10 to 21 years. The private lease is for a term of 20 years and is in good standing until May 31, 2025. There are also two contiguous staked mining claims covering 32 hectares located in Whitney Township south of Hoyle Township.

There are two royalties on the Hoyle Pond underground mine land package. One payment is based on a $0.10 per ton royalty on ore from most areas of the 1060 zone, and one covers much of the area containing the original Hoyle Pond mine workings which is also tonnage based, but is only currently paying out an annual minimum payment as mining in this portion of the mine is limited. Royalty payments were approximately Cdn.$0.2 million in each of 2004 and 2005.

All requisite permits have been obtained for the mining and continued development of the Hoyle Pond underground mine and the Bell Creek mill and are in good standing and the Porcupine Joint Venture is in compliance with Hoyle Pond and Bell Creek permits in all material respects.

Dome Mine and Mill

The Dome mine and mill are located within the city limits of Timmins, Ontario, on an area that covers over 5,004 hectares of staked and patented mining claims held or under option, including the Preston property that lies to the south and east, immediately adjacent to the Dome property and the Paymaster property that lies to the west of the Dome open pit. The Dome underground mine is currently on care and maintenance and open pit mining was completed in the second half of 2005. The Pamour pit is currently the only operating open pit mine at the Porcupine Joint Venture.

The Dome open-pit and underground mines, claims, mining and surface rights are registered in the name of Placer Dome Canada Limited ("Placer Canada") (51%) and Kinross (49%). The Preston property includes 19 mining claims. The Paymaster property includes 26 contiguous mining claims.

A 2% net smelter royalty is payable on production from the Preston, Paymaster and Vedron properties. No other royalties are payable on the Dome property.

All requisite permits have been obtained for the mining and continued development of the Dome open pit mine and mill and are in good standing; the Porcupine Joint Venture is in compliance with such permits in all material respects.

Pamour and Nighthawk Lake Mines

The Pamour open pit and Nighthawk Lake underground mines and mineral claims are located in Timmins, Ontario on 7,783 hectares. The Pamour mine is located north of Highway 101, approximately 19 kilometers east of the downtown core of Timmins and 43 kilometers west of Highway 11. The Pamour mine is also approximately two kilometers south of and contiguous with the Hoyle Pond mine. The Nighthawk Lake mine is approximately 17 kilometers southeast of the Hoyle Pond mine. There has been no production at the Nighthawk Lake mine since 1999.

The Pamour open pit development was finalized and mining commenced in 2005.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to the Hoyle Pond mine is via a five kilometer all weather gravel road north of Highway 101. Services are generally acquired from vendors in the Timmins area. Adequate process water is available from the clear water pond at the tailings, while make up water and potable water comes from underground supply.

The existing Dome mill consists of three stages of crushing, rod/ball and primary ball grinding, gravity recovery, cyanide leach, carbon-in-pulp, carbon elution, solution electrowinning and direct smelting. Tailings are pumped to a tailings basin where the solids settle out and a portion of the solution is recycled to the mill. Excess effluent is seasonally treated and discharged.

As part of the Pamour project, the Dome mill was upgraded in late 2004 with the installation of a large rod mill in series with the existing primary ball mill to provide additional grinding capacity for the harder Pamour ores. Three leach tanks were installed to provide longer leach retention time, and a new carbon elution and regeneration circuit were installed, together with an upgrade to the process control network. This expansion will allow processing of 11,000 tonnes per day at a 95% mill utilization rate, making the mill more efficient and flexible for processing ores from the Dome, Hoyle Pond, Pamour, and other ore bodies.

Access to the Dome mine is by paved road from the town of South Porcupine, six kilometers east of Timmins on Highway 101. Rail freight service is available from the Falconbridge — Kidd Creek metallurgical site eight kilometers east of the mine.

The dominant surface material in the Dome mine area is glacial till overlain by glaciolacustrine silts and clays. Mine waste and tailings cover some areas closer to the mine.

The Pamour mine is located two kilometers south of the Hoyle Pond mine and is accessible by an unpaved road. The Nighthawk Lake mine is located 17 kilometers southeast of the Hoyle Pond mine and accessible by 10 kilometers of paved roads and seven kilometers of unpaved roads.

The area climate consists of cold winters and hot summers. Temperatures range from below –40 degrees Celsius (–40 degrees Fahrenheit) to above +30 degrees Celsius (+95 degrees Fahrenheit). Mean precipitation is approximately 80 centimeters annually.

The topography of the area is typical of the Canadian Shield and consists of an irregular surface with moderate relief. The topographic highs are the result of bedrock outcrops and are surrounded by low lying areas of poorly drained wetlands. Vegetation includes spruce, pine, poplar and birch trees and various shrubs, grasses and mosses. The elevation ranges from 200 meters to 300 meters.

History

Land was first staked in the vicinity of the present day Pamour mine in 1910. Limited production was achieved from 1911 to 1914. The property remained idle from 1914 to 1923. Between 1923 and 1935 several mining syndicates carried out exploration work. In 1935 and 1936, the Pamour No. 3 shaft was sunk and a 650 tonnes per day mill was constructed. In 1938, the mill capacity was increased to 1,300 tonnes per day by installing new equipment. During the 1950's, mill throughput averaged 1,500 tonnes per day. In 1972, the mill was expanded to treat 2,275 tonnes per day as production from the nearby Aunor mine was processed at the Pamour mill. Open pit mining at the Pamour mine began in 1976 and continued until 1999. Open pit mining resumed in 2004 and ore started to be delivered to the Dome mill by the second quarter of 2005.

The Hoyle Pond discovery hole was drilled by Texas Gulf in 1980. The deposit was explored from 1980 to 1982. The deposit was developed by ramp in 1983 and 1984. The first year of mining in 1985 yielded 64,400 tonnes at an average grade of 13.0 grams per tonne of gold. The mine has been in continuous production since then and was acquired by Kinross pursuant to the amalgamation with Falconbridge Amalco in 1993. Since 1993, Kinross has conducted exploration programs and underground development has added significant additional mineralization. From 1994 to 1999, Kinross sunk an 815 meter shaft and developed a second ramp to access underground workings. The Bell Creek mill has gone through a series of expansions with current capacity of 1,500 tonnes per day. The head grade for the Hoyle Pond mine is the highest of any of the significant past, or present producing mines in Timmins.

The Dome deposit was discovered in 1909. Operations commenced in 1910, producing 214 ounces of gold. Mining has been continuous at Dome since 1910. In 1984, the mill capacity was increased from 2,000 to 3,000 tonnes per day. Part of the expansion included a new vertical shaft, the No. 8 shaft which was sunk from the surface to a depth of 1,667 meters. In 1988, due to a skipping accident, No. 8 shaft was not producing and, therefore, open pit mining was commenced. From 1992 to 1996, Placer Dome produced from the Paymaster property. In 1995, an expansion of the operations, which included an enlarged open pit and an increase in milling capacity, was completed. As a result, full production from the expanded open pit was achieved and mine production increased from a nominal rate of 3,400 tonnes per day in 1994 to 9,100 tonnes per day in 1995. In 1997, the Preston property was purchased and the Dome open pit was expanded into the Preston land holdings. Mining of open pit ore from the Preston property was completed in 2000.

From its beginning in 1909 to December 31, 2005, the Dome mine has produced over 15 million ounces of gold, making it the second largest gold producer of the Timmins camp.

Geology and Mineralization

Regional

All of the properties comprising the Porcupine Joint Venture lie within the Porcupine Gold Camp (the "PGC"). The PGC, located in the Archean Abitibi greenstone belt, has been the most productive gold-producing field in North America. Total historic production is in excess of 62 million ounces of gold. This production has come from quartz-carbonate lode systems hosted within low temperature metamorphic rocks (greenschist facies). Lodes are found in a corridor up to 10 kilometers wide parallel to the 200 kilometers long Destor Porcupine Fault. At the regional scale, gold deposits are spatially associated with regional fault zones. At the camp scale, gold deposits generally occur within five kilometers of, but not in, the regional faults.

Hoyle Pond

The Hoyle Pond Main Zone and 1060 Zone deposits, both of which are in production, are hosted within sheared and metamorphosed basalts rich in pyroxenes. The 7 Vein system occurs as a series of stacked, flat to gently northeast dipping veins within metabasalts. Mineralization occurs as coarse, free gold in white to grey-white quartz veins with variable ankerite, tourmaline, pyrite and local arsenopyrite. Alteration halos are generally narrow, consisting of mainly grey zones (carbon, carbonate, sericite, cubic pyrite) in the Hoyle Pond system, and carbonate-sericite, with fuchsite, pyrite, arsenopyrite and trace chalcopyrite, sphalerite within the 1060 structure.

The Hoyle Pond Main Zone includes a series of generally northeast striking, linked quartz vein zones (at least 11 veins of economic significance) folded on a small scale with moderate west trending and northeast plunging fold axis. The 1060 Zone consists of at least five main vein structures (B1, B2, and B3 Zones, A Zone and Porphyry Zone) with orientations ranging from north to northeast with generally subvertical dips.

Pamour Mine

The Pamour mine is located approximately one kilometer north of the Destor Porcupine Fault Zone. Volcanic rocks occupy the area north of the mine and include interlayered mafic to ultramafic units. Sedimentary rocks including greywackes, argillites, and conglomerates are found to the south. Gold mineralization is hosted by both volcanic and sedimentary rocks and related to both individual quartz veins and vein swarms, which trend mainly east-west. Volcanic-hosted ore bodies include shallow north-dipping single vein structures within mafic volcanics, as well as irregular shaped vein swarms along various lithologic contacts within the volcanic sequence. Sedimentary hosted ore bodies include irregular shaped vein swarms along the unconformity as well as narrow, steep south-dipping veins in greywacke further to the south.

Dome Mine

The Dome mine lies on the south limb of the Porcupine syncline in an area where the Archean Metavolcanics are overlain by the metasedimentary rocks. Gold mineralization is found in a number of different rock types and in association with a number of different structural settings. Mineralization in the district is commonly associated with the northeasterly plunge of the Porcupine syncline. At the mine site, the local sequence of north dipping metavolcanics and metasedimentary rocks have been folded to form a northeasterly plunging structure, referred to as "Greenstone Nose." Sediments consisting of conglomerates, slates and greywackes are draped around this structure and form the "Sedimentary Trough" on the south side.

Immediately south of the "Sedimentary Trough" lies an east-west striking, highly strained zone in which magnesium rich, carbonatized rock occurs. This highly altered zone corresponds to the trace of the ductile Dome Fault interpreted to represent a branch off the main Destor-Porcupine Fault. To the west, the Dome Fault Zone passes between two major porphyritic intrusive bodies — the Paymaster and the Preston Porphyries. To the east, lenses of porphyry, similar compositionally to the main porphyry bodies, occur within the Dome Fault Zone. To the south of the Dome Fault Zone are the "Southern Greenstones," a south-dipping sequence of basalts consisting of massive and pillowed flows.

Mineralization occurs mainly in association with structurally controlled quartz and quartz-ankerite veins. Principal orebodies can be classified into three main types: Long narrow veins in shear zones parallel to the stratigraphic trend; swarms of en-echelon veins and stockworks of veins; and disseminated mineralization, in which the gold is associated with pyrite and/or pyrrhotite and little or no vein material is present.

Exploration

Kinross' share of regional exploration within the Timmins camp totaled $3.2 million during 2004 and approximately $3.5 million in 2005.

Drilling, Sample Preparation and Analysis

Placer Dome collects both exploration and production samples at its operations in Timmins. Samples are collected using industry standard sample collection procedures that are well understood by the geological personnel collecting the samples in the field.

Surface and underground diamond core drilling operations were conducted during 2004. For resource estimation purposes, drilling spacing ranges from a low of 8.0 meters to a high of 50.0 meters. Typically, drill holes are sampled honoring geological contacts while maintaining a minimum 1.5 meter sample length. Typically the core is not split or sawn prior to assay unless the hole is an exploration hole targeting new mineralization.

Underground, sampling is conducted on a daily basis throughout the active working faces. Chip samples, muck samples and sludge samples are collected to provide daily grade control and to reconcile actual production to the estimated reserves. At the Hoyle Pond mine, ore development headings are typically sampled on 2 to 5 meter intervals using both chip samples and muck samples. Production stoping areas are typically sampled at 5 meter intervals wherever practical and stope muck is sampled at a frequency of 1 muck sample for every 20 tonnes of ore.

Open pit samples are collected from blasthole cuttings on an approximate 10 meter sample spacing. In ore zones, a single sample is collected from each hole, representing approximately 450 tonnes of ore. In waste, the sample frequency is reduced with one sample collected from every four holes.

Prior to the completion of the Porcupine Joint Venture, Kinross' analytical work was carried out at the Bell Creek lab with some exploration samples sent to an independent lab for analysis.

Since December 31, 2002, Placer Dome's analytical work is completed at the Dome mine lab and at independent external labs with the Bell Creek lab placed on care and maintenance. At the Dome mine lab, all gold analyses are completed using conventional fire assay with an AA finish. Samples with visible gold are assayed using either a gravimetric finish or pulp metallic assay. Each assay tray at the Dome mine lab includes at least one standard, one check and one blank. The Dome mine lab processes all surface and underground production samples. Hoyle Pond exploration core is processed at the Dome mine lab and at an external lab. All regional exploration core is processed at an external lab. Check assays are completed at the Dome mine lab or at external laboratories. Generally multi-element analytical work is completed at external laboratories.

Mining and Milling Operations

The Hoyle Pond operations consist of an underground mine serviced by two declines and one shaft serving production levels on 40m vertical spacings. The Hoyle Pond shaft provides access to the Hoyle Pond and 7 Vein Zones. The 1060 ramp provides access to the 1060 Zone and is currently being extended to provide access to lower levels on the 1060 Zone. Total production (ore and waste) is transported to the loading pocket by means of an ore/waste pass system and hoisted to surface in 6.5 tonne skips. The surface infrastructure consists of administration buildings, maintenance, compressed air, paste fill plant, and hoisting facilities. An internal winze construction was completed in 2005.

The mineralized zones at Hoyle Pond are narrow high-grade veins, dipping from 30 to 90 degrees. Underground mining methods used are cut and fill, shrinkage, panel and long-hole methods.

Mining of the Hoyle Pond crown pillar will be prioritized in the mining schedule if Placer Dome can successfully negotiate an agreement with Falconbridge. Mining of the crown pillar will require isolating the adjacent Falconbridge tailings management area, berms to separate the pit from the Hoyle Pond complex, relocation of the Hoyle Pond mine water settling ponds, relocation of the tailings management area utility and access road, and installation of underground bulkheads to isolate the Hoyle Pond underground workings from the pit.

The Dome underground mine had its final year of full production in 2003 and was placed on care and maintenance in May 2004 after 94 years of operation that began in 1910. Attempts to extend the mine life are being evaluated with on-going exploration of areas within and peripheral to the mine.

The Dome open pit was mined in three stages. Development of the final stage commenced in the summer of 1998. Mining is conducted using conventional open pit mining methods. All mining is carried out on 9.1 meter benches. Pit wall inter-ramp angles vary but average 52 degrees. Haulage ramp gradients are set to 10%. Conventional open pit mining equipment is used. The mining fleet includes diesel powered drills, electric cable shovels, 136 tonne haulage trucks, front-end loaders, dozers and support equipment.

Reserve estimates for the open pit include allowances for the presence of mined-out underground workings. Open pit mining costs reflect the specialized drilling, blasting and backfilling that is required to ensure that open pit mining can proceed safely through these underground workings. Overburden encountered in the upper portions of the open pit is stockpiled for use in reclamation. Rock dumps are contoured and re-vegetated on an ongoing basis as part of normal open pit operations. Open pit mineral reserves were depleted in 2005. Stockpiled ore is expected to sustain mill operations for several years after the completion of mining at the Dome open pit. Opportunities to reactivate the pit to recover additional reserves are being evaluated.

The Pamour open pit feasibility study was completed in 2003 and permitting work was initiated on completion of the study. Demolition of existing infrastructure at Pamour that will not be used in the new mining operations has been completed. Construction of the haul road and site infrastructure commenced in 2004 and was completed in 2005. Stripping began in late 2004 and full-scale mining was achieved in 2005. Mining is by a conventional open pit method. Much of the equipment required for the Pamour operation has been relocated from the Dome open pit. The initial capital costs include the cost of equipment not available from the Dome operation as well as rebuild costs of some of the older units.

All ore mined by the Porcupine Joint Venture is milled at the Dome mill. Currently, the Dome mine and the Hoyle Pond mine provide feed to the mill. The mill was expanded in 2004 to accommodate planned production from the Pamour mine in mid 2005.

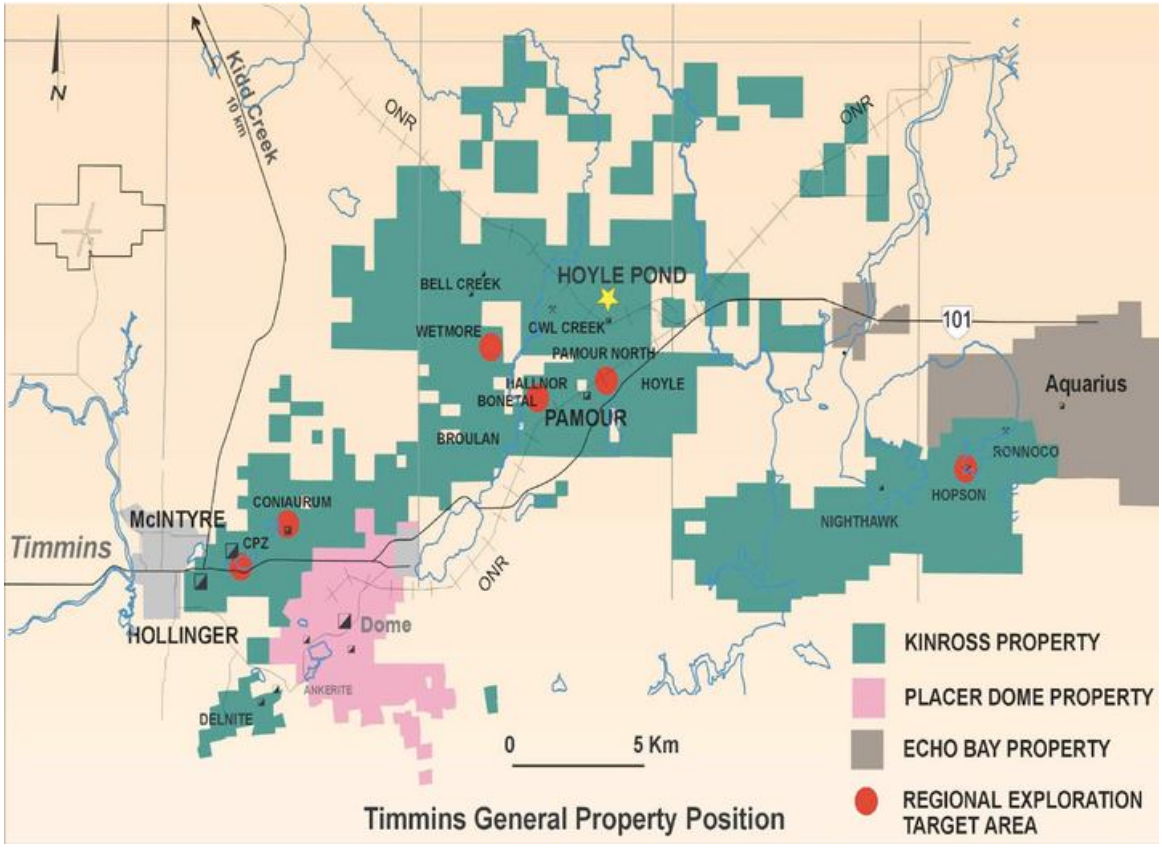
Kinross' share of the net present value of future cash outflows for site restoration costs at the Porcupine Joint Venture under CICA Handbook Section 3110 are estimated to be $26.2 million at December 31, 2005. Kinross has posted letters of credit totaling $15.8 million for site restoration obligations with the provincial government in connection with its share of closure obligations.

Life of Mine, and Capital Expenditures

Currently estimated proven and probable reserves for the PJV are sufficient for eight and a half years of production. There is significant potential for additional reserves and resources in the current property position controlled by the joint venture.

Kinross' share of capital expenditures at the Porcupine Joint Venture operations in 2005 were $24.7 million. The majority of the capital was attributed to the Pamour pit development.

Porcupine Joint Venture Property Position



La Coipa Mine

General

Kinross owns a 50% interest in the La Coipa mine through a joint venture with Placer Dome. Placer Dome is the operator of the mine. Kinross acquired the La Coipa mine in connection with its acquisition of TVX in January 2003.

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

Property Description and Location

The La Coipa mine is located in the Atacama Region of northern Chile, approximately 1,000 kilometers north of Santiago and 140 kilometers northwest of the community of Copiapó, Chile. The mine is operated by a Chilean contractual company, Compania Minera Mantos de Oro ("MDO"), a joint venture between a wholly-owned subsidiary of Placer Dome (50%) and Kinross (50%). The overall operation consists of five deposits known as Ladera-Farellon, Coipa Norte, Brecha Norte, Can-Can and Puren. Coipa Norte and Brecha Norte are currently being mined by open pit methods, and exploitation at Puren began in 2005 followed by Can-Can in 2007. The Puren deposit has been approved for development by the partners at La Coipa, Chile. Puren is owned 65% by Mantos de Oro (MDO), a 50:50 joint venture with Placer Dome and Kinross Gold, and 35% by Codelco of Chile, MDO is actively exploring in the district.

The La Coipa mine consists of approximately 7,500 hectares of mineral claims, of which the principal ones are Indagua, Marta, Escondida, Candelaria, Eduardo, and Chimberos. The MDO area of influence changes from time to time as agreed by the project partners. MDO currently has a 65% equity stake in the Puren area to the east of the mine, has an option to acquire a 100% stake in the Esperanza property to the north of La Coipa, and Kinross holds a 50% interest in the CMCLC (Cominor) ground (7,294 hectares) surrounding La Coipa. MDO has obtained a series of permits that allow exploration and mining activities to proceed in the La Coipa area. No other permits need to be obtained based on existing and recently planned operations. MDO's land position as at the end of 2005 including exploitation concessions and exploration permits, but excluding Kinross' interest in the Cominor property, covers 25,524 hectares.

The exploration permits are valid for a two-year period from the date they are declared in force and can be renewed once for another two-year period. Thereafter the size of the exploration permit area must be reduced by half. MDO can elect to apply for mining concessions in areas where exploration concessions are held. The exploitation or mining concessions can be held indefinitely as long as the annual fees are paid to keep the permits in good standing. The exploitation permits covering the La Coipa area give MDO the right to extract the ore and to sell the final products into the open market.

No royalties are applicable on gold and silver produced from the mine, but an annual preferred dividend of $1.8 million is payable. The joint venture partners receive disbursements from the operation via common dividends from MDO. A 35% withholding tax is applicable on all dividends disbursed to foreign shareholders, less the corporate income tax already paid.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The La Coipa mine is located approximately 1,000 kilometers north of Santiago in Copiapó Province in the Atacama Region of the Chilean Andes. Access is by a 140-kilometer road of which 30 kilometers are paved, from the regional center of Copiapó, which is served daily by commercial airline from Santiago. The nearest port, Caldera, is 80 kilometers west of Copiapó. The mine is connected to the national power grid system.

The mine lies in the Domeyko Cordillera at an elevation of between 3,800 and 4,400 meters, the plant site being at 3,815 meters. Current and future mining operations are at elevations ranging from 4,040 meters to 4,390 meters.

The climate is considered pre-arid Mediterranean, subject to low temperatures, strong winds and some snow during the winter. Despite the adverse climate, mining operations are performed year-round without interruption. Temperatures range from a high of 25 degrees Celsius (77 degrees Fahrenheit) to a low of –10 degrees Celsius (14 degrees Fahrenheit). Water is scarce in the area, but the Salar de Maricunga provides sufficient water to fulfill industrial needs through an approximately 40-kilometer pipeline. Vegetation is sparse.

History

The earliest written information about La Coipa as a precious metal prospect dates back almost a century, when a small underground copper-silver mine was in operation about 2 kilometers southeast of the present day operations. Regional resources have been sporadically exploited since then, but the La Coipa area itself did not receive any attention from exploration geologists until the late 1970s.

La Coipa open pit mine and its 15,000 tonne per day mill began operation in October 1991. A new crushing system was installed in October 1999 increasing throughput to 17,000 tonnes per day. The Ladera-Farellon and Farellon Bajo ore bodies were mined in four pit stages between 1991 and 2000. The Coipa Norte ore body will be mined out in five stages between 1995 and 2008; it started after mining of Stage 2 in Farellon Bajo was completed in 1994. Ore from the Chimberos silver ore body (located 40 km by road from the processing plant) was processed from mid-1998 to mid-1999. In the third quarter of 1999, production from La Coipa recommenced, mainly from the Coipa Norte ore body. Mining of the Brecha Norte ore body started in stage one in 2003 and mining will be completed in 2006.

TVX acquired an initial indirect 49% interest in the La Coipa mine in June 1988 from companies controlled by Eike Batista, Roberto Hagemann Gerstmann and Jozsef Ambrus, who, at the time, held the remaining 51% interest. Pursuant to the La Coipa acquisition agreement dated January 25, 1989, Placer Dome acquired a 50% indirect interest in the La Coipa mine from both TVX and companies controlled by Messrs. Batista, Gerstmann and Ambrus, on a pro-rata basis as to their respective interests in the La Coipa mine. The La Coipa acquisition agreement also provided for the future operation of the La Coipa mine and the respective responsibilities of the joint venture parties. As a result of this transaction, TVX's indirect interest in the La Coipa mine was reduced to 24.5% and the indirect interests of Messrs. Batista, Gerstmann and Ambrus was reduced to 25.5%. Between 1989 and 1994, TVX increased its ownership in the La Coipa mine to 50%.

Kinross acquired TVX's ownership in La Coipa on January 31, 2003, on completion of the business combination of Kinross, TVX, and Echo Bay.

Geology and Mineralization

The La Coipa mine is located in the northern Chilean volcanic belt known as the Maricunga belt. It contains several well-known base metals and precious metals deposits such as Cerro Casale, Refugio, Marte and El Hueso.

La Coipa and surrounding deposits form part of a precious metal epithermal system. Structural controls on mineralization are dominant at La Coipa, but lithological controls are also present. The La Coipa deposits are mainly contained within two basic rock formations — Triassic sedimentary rocks that form the basement and overlying Tertiary volcanic rocks. Mineralization at Coipa Norte and Brecha Norte, are both hosted in volcanics and sediments. Silver mineralization occurs mainly in volcanics but gold is preferentially hosted in sedimentary rocks.

The 17,000 tonnes per day processing plant is located near Ladera-Farellon because this ore body comprised the majority of the original mineral reserve. The Coipa Norte deposit is located about five kilometers north of Ladera-Farellon and the Brecha Norte deposit is located northeast of the Coipa Norte deposit. The Puren deposit is located eight kilometers northwest from Ladera-Farellon, and was recently discovered by the MDO exploration team. The Chimberos deposit is approximately 25 kilometers northeast of the processing plant.

The most common precious metal-bearing minerals are cerargyrite, several other silver halide complexes, native silver, electrum and native gold as free particles in the size range of 0.5 to 50 microns. Mercury is common in all the deposits and occurs as calomel.

All the known reserves at La Coipa are found in oxidized zones. Both Ladera-Farellon and the silver orebody in Coipa Norte are located in the western and upper portions of the mineralized zones. At Coipa Norte, the silver orebody outcrops are closely associated with pervasively silicified rocks. The presence of bedded outflow material and geyserites suggest that this area has not been subjected to significant erosion.

Exploration

Exploration work in the La Coipa district started in the late 1800s and has been ongoing since, although the property ownership has changed a number of times. Modern exploration techniques have been implemented starting in the late 1970s to early 1980s. They included geological mapping, geochemistry, channel sampling, drilling and 800 meters of underground development. Numerous soil geochemical anomalies and historic gold silver prospects exist within the vicinity of the La Coipa ore bodies. These include the Las Colorada and Indagua anomalies on the MDO property, and the Maritza, Pompeya and Puren West anomalies on the surrounding CMCLC ground.

Kinross' share of exploration spending for 2005 was approximately $1.1 million. During 2005 the Esperanza, Carachapampa and CMCLC properties were drilled to prepare an evaluation of Teterita, a prospect drilled in 2004-2005.

Drilling, Sample Preparation and Analysis

Various drilling methods and sampling protocols have been used at La Coipa. Diamond drill holes completed during the exploration phase were systematically sampled in 2 meter intervals. Half the core was sent for assaying and the other half stored in a warehouse near the camp. RC holes for both exploration and in-pit drilling are sampled in 2 meter long "runs." All drill chips are also stored in the same location as the core.

Since 1984, a total of 127,785 meters of drilling has been completed in the La Coipa mining area. Most of the exploration drilling was completed with RC holes. All exploration holes are surveyed. The holes have also been down-hole surveyed at about 20 meter intervals. Most of the exploration holes are inclined holes.

Drill core is delivered to the exploration storage building located by the camp facilities. A geologist completes a written log for the hole that includes geological and geotechnical information. The geological data include identification of specific geological formations, color, alterations, presence and visual estimate of sulphide and oxide minerals, nature of fracture filling and a detailed geological description of the core that includes textural and lithologic characteristics, contact styles and mineralization. Geotechnical data are also recorded. Structures are described with measurements to determine top, bottom, orientations and dip angles.

The laboratory department uses a well-established set of quality assurance and quality control protocols to monitor its own performance. The mine laboratory regularly inserts standards. Duplicate analyses are done from time to time at independent labs, including pulp duplicates of selected samples. The mine lab carefully monitors all aspects of sample preparation and assaying for exploration activities, the blast holes, the plant and the refinery. They include numerous control checks when the drill or blast hole samples are received for preparation and analysis. Most analyses are performed at the mine laboratory, with some exploration samples sent to an outside laboratory depending on the required turnaround time.

Mining and Processing

The La Coipa mine currently operates two open pits: Coipa Norte, and Brecha Norte. The Puren and Can Can deposits are scheduled to be mined later in the mine life. Conventional open pit mining methods and equipment are used to mine all ore and waste. Benches are laid out at 10 meters intervals, allowing for the existence of berms every two benches. The overall wall slopes vary from 45 degrees to 52 degrees. Mining is carried out with one hydraulic shovel, front-end loaders, diesel rotary drills, and 154-tonne trucks.

Ore is crushed, then ground in a circuit incorporating a semi-autogenous mill with a pebble crusher and two ball mills with a throughput of 17,000 tonnes per day. The ground ore is leached, then filtered and washed to separate out the tailings, and the solution is passed through a Merrill-Crowe plant. The precipitate is then sent to the refinery.

Water and power supplies are critical infrastructure aspects of the La Coipa mine. Water requirements for the plant are 100 liters per second and are obtained from underground springs which feed the Salar de Maricunga, a saltwater lake 38 kilometers from the mine site. The water is pumped via a pipeline from the springs to the plant site. The national power grid provides all the power necessary for the plant from a tie-in approximately 88 kilometers from the mine.

The doré produced at the mine is shipped to refineries in the United States and England, with gold and silver credited to MDO metal accounts. The gold and silver are sold into world markets at spot prices.

The La Coipa mine received an ISO 14001 certification in July 2002 and there are comprehensive procedures in place in the event of a safety or environmental incident. The most significant environmental issue at the mine is mercury contamination of the Quebrada La Coipa Aquifer. At the end of 1995, mercury and cyanide from tailings seepage were detected in control wells. As a remedial measure, MDO installed a fence of wells to intercept and divert uncontaminated water around the tailings area to a re-infiltration gallery downstream of the tailings. Other wells were also installed to collect contaminated groundwater and pump it to the process plant for recycling. These measures did not entirely contain the plume at the source, and therefore, in 2000, a water treatment plant was constructed at the leading edge of the plume. At the treatment plan, groundwater is intercepted and passed through resin ion exchange columns where mercury is removed. To date, the system has contained the contaminant plume completely within the mine property, and prevented the advance of contaminants in excess of drinking water standards to areas downstream of the mine.

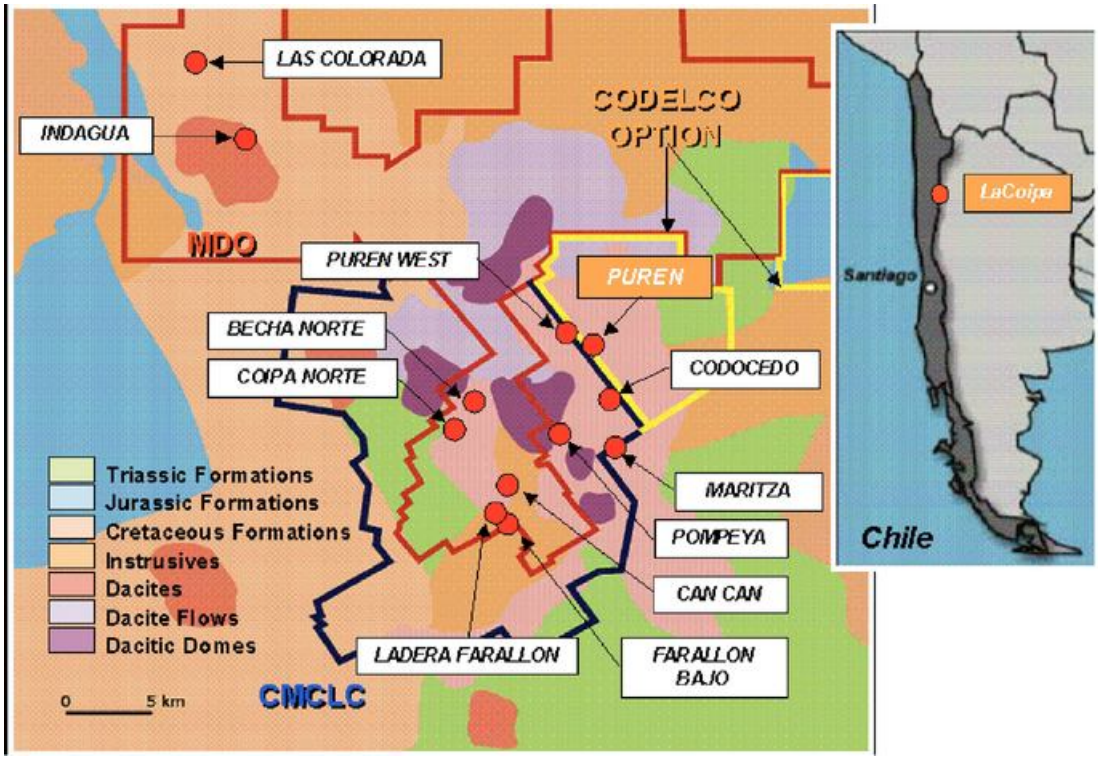
It is not known how long groundwater management will be required, but it is expected that the treatment plant will continue to operate after mine closure. To more accurately evaluate long-term treatment requirements, drilling and characterization of the source were initiated in 2005. The net present value of future cash outflows for site restoration costs by $7.2 million as of December 31, 2005.

Based upon estimates by operator Placer Dome, Kinross' share of the net present value of future cash outflows for site restoration costs at La Coipa under CICA Handbook Section 3110 are estimated at $13.1 million at December 31, 2005. This includes costs to demolish and remove plant site buildings, secure the pit area and prevent a safety hazard to the public, and operate the water treatment facility for up to 20 years. Because of the lack of vegetation in the area no major re-vegetation or re-sloping activities are currently proposed. Small-scale experimentation with growing plants in the arid climate is currently underway, and further field-testing is planned prior to closure. There is no requirement to post financial assurance to secure site restoration costs in Chile at present.

Life of Mine, and Capital Expenditures

The proven and probable reserves are sufficient for four years of production. The mine is scheduled to cease production in 2010 if additional reserves are not found; however, Kinross believes there is significant potential for additional reserves and resources near the present mine site.

Kinross spent approximately $4.9 million for its share of capital expenditures in 2005. The majority of the capital was related to deferred development.



Paracatu Mine

General

The Paracatu mine site includes an open cut mine, process plant, tailings impoundment area and related surface infrastructure with a throughput rate of 18 million tones per annum (Mtpa). Paracatu (known locally as "Morro do Ouro") is operated by Rio Paracatu Mineração S.A. ("RPM"), which in 2003 and 2004 was 49% owned by Kinross and 51% owned by a subsidiary of Rio Tinto Plc. ("Rio Tinto"). Kinross acquired its interest in the Paracatu mine in its combination with TVX in January 2003. The mine was operated by Rio Tinto until the end of 2004. On December 31, 2004 Kinross announced that it had completed the purchase of Rio Tinto's 51% interest. Kinross currently owns 100% of the property and is the operator.

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

Property Description and Location

The Paracatu mine is a large scale open pit mine located less than three kilometers north of the city of Paracatu, situated in the northwest part of Minas Gerais State, 230 kilometers from Brasília, the capital of Brazil, on the paved highway connecting Paracatu (Brasília) with Belo Horizonte, the state capital of Minas Gerais.

Historically mining at Paracatu did not require blasting of the ore. Ore was ripped, pushed and loaded into haul trucks for transport to the crusher. In 2004, due to increasing ore hardness in certain areas of the mine, RPM began blasting the harder ore in advance of ripping. Currently powder factors are very low. The open pit benching operation measures approximately four kilometers by two kilometers, and it is located on a gently sloping hillside. The elevation of the open pit and industrial plant area ranges from approximately 720 to 820 meters.

In Brazil, mining licenses (claims) are issued by the Departamento Nacional da Produção Mineral (DNPM). Once certain obligations have been satisfied, DNPM issues a mining license that is renewable annually, and has no set expiry date. RPM currently holds title to two mining claims (mining leases) totaling 1,258 hectares. The mine and most of the surface infrastructure, with the exception of the tailings impoundment area, lie within the two mining licenses. The remaining infrastructure is built on lands controlled by RPM under exploration concessions. RPM holds title to 28 exploration concessions in the immediate mine area and has applied for title to an additional 9 exploration concessions in the Paracatu area.

On December 31, 2004, RPM, through exploration permits and mining leases, controlled 8,731 hectares of land. As of December, 2005, RPM had increased its land position to 22,508 hectares. RPM has applications before DNPM to convert four of the exploration concessions to mining lease status. In addition, RPM has applied for the mineral rights to an additional 16,974 hectares in exploration concessions. As of December 31, 2005, DNPM was reviewing RPM's applications. Kinross has reasonable expectation that all applications before the DNPM will be approved.

The Paracatu mine is exposed to limited environmental liabilities related to the following: site water management; main tailings storage area; sulphide tailings storage area; industrial plant site; and airborne dust. Environmental liabilities are being minimized through good management practices.

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

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to the site is provided by paved federal highways or by charter aircraft that can land at a small paved airstrip on the outskirts of Paracatu. The mine is the largest employer in Paracatu, directly employing 750 workers in what is predominantly an agricultural town (dairy and beef cattle and soy bean crops) located in Brazil's tropical savannah. Average annual rainfall varies between 850 and 1800 mm, the average being 1300 mm, with the majority realized during the rainy season between October and March. Temperatures range from 15° to 35° Celsius.

The mine receives power from the Brazilian national power grid. Some power supply outages have been experienced during the rainy season due to water getting into high voltage equipment, but these have not had a significant impact on production. The mine has a small emergency power capability, used for critical process equipment that cannot be suddenly stopped such as thickeners and CIL tanks

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

History

Gold mining has been associated with the Paracatu area since 1722 with the discovery of placer gold in the creeks and rivers of the Paracatu region. Alluvial mining peaked in the mid -1800's and until the 1980's was largely restricted to garimpeiro (artisanal) miners. In 1984, Rio Tinto Zinc (Rio Tinto) explored the property using modern exploration methods and by 1987, the RPM joint venture was formed between RTZ and Autram Mineração e Participações (later part of TVX Gold Inc group of companies) constructed a mine and processing facility for an initial capital cost of $65 million. Production commenced in 1987 and the mine has operated continuously since then. As of December 31, 2004, the mine since inception had produced 2.985 million ounces of gold from 237 million tonnes of ore.

In 2003, TVX's 49% share in RPM was acquired by Kinross Gold Corporation (Kinross) as part of the merger between Kinross, TVX and Echo Bay Mines Ltd (EB). In November 2004, Kinross and Rio Tinto agreed in principle to Kinross' purchase of Rio Tinto's 51% interest in RPM. Completion of this purchase on December 31, 2004 resulted in Kinross having a 100% interest in RPM and the Paracatu mine.

Exploration

Rio Tinto was the first company to apply modern exploration methods at Paracatu. The initial production decision was based on a mineral reserve estimate based on 44 drill holes and 458 surface pits (25 meters maximum depth). The deposit was historically drilled off on nominal 100 × 100 meter drill spacing. The exploration history at Paracatu has evolved in lock step with the mine development. As mining advanced and the initial capital investment was recovered, the decision was made to evaluate a deeper horizon ("B1 horizon") and exploration drilling was focused on defining the deposit through drilling accordingly.

As more knowledge was gained through mining of the B1 horizon, the potential of a deeper horizon ("B2 horizon") became increasingly important. As a result of the staged recognition of the mineral reserve potential at Paracatu, several drill holes did not test the entire thickness of the B2 horizon.

After acquiring a 100% interest in RPM, Kinross reviewed the engineering support prepared by RPM in support of a further mill expansion. At the same time, Kinross evaluated the exploration potential at Paracatu and identified two priority target areas:

- Deepening of holes in the northeast portion of the pit where the full extent of the B2 horizon had not previously been defined and
- Drilling to the west of Rico Creek where the B2 horizon has been identified with similar characteristics as in the pit area but had been tested with a very limited number of drill holes.

In the first quarter of 2005, Kinross approved a phased exploration drill campaign at Paracatu to upgrade inferred resources west of Rico Creek to a measured and indicated classification. A theoretical $400 pit shell was used to guide the first phase ("Phase I") of the drilling program. A total of 30,000 meters of drilling was planned in Phase I. Subsequent phases would be evaluated based on the Phase I results. The Phase I program was largely complete prior to the November 2005 resource model update however analytical results for 65 of the holes were pending at the time of the update.

In the third quarter of 2005, after reviewing results from Phase I, Kinross planned a second phase ("Phase II") program to explore the potential to increase reserves beneath the existing pit and to define the lateral limits of mineralization external to the $400 pit shell used to constrain Phase I. An additional 20,000 meters of drilling was planned for Phase II.

The drilling for Phase II was completed on December 3, 2005. Phase II added 113 diamond drill holes to the Paracatu database. Phase I and II totaled 267 holes for 48,660 meters. Total exploration costs for Phase I and II were approximately US$ 5.2 million. The outstanding analytical results from Phase I as well as the additional analytical results from Phase II will be used to update the resource model for Kinross' 2005 annual disclosure.

Geology and Mineralization

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

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

The Paracatu mineralization is subdivided into 4 horizons defined by the degree of oxidation and surface weathering and the associated sulphide mineralization. These units are, from surface, the C, T, B1 and B2 horizons. Mining to date has exhausted the C and T horizons. The remaining mineral reserves are exclusively hosted in the B1 and B2 horizons.

Gold is closely associated with arsenopyrite and pyrite and occurs predominantly as fine grained free gold along the arsenopyrite and pyrite grain boundaries or as inclusions in the individual arsenopyrite and pyrite grains. The majority of grains are ultrafine (less than 20 microns) but the few coarse grains that occur are responsible for the highest percentage of the contained gold in the ore.

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

Drilling, Sample Preparation and Analysis

The dominant sample collection method used to delineate the Paracatu resource and reserve model is diamond drilling. Prior to the 2005 drilling program, a total of 696 drill holes totalling 28,317 meters supported the then resource model and reserve estimate. The nominal drill spacing was 100 × 100 meters. Approximately 82% of the drill holes are large diameter (six inch) drill holes. The remaining holes are either H or N diameter drill holes. The majority of the drill holes are diamond drill holes. A total of 67 RC holes are included in the database. Results from the RC holes indicate that results were 25-30% lower when compared to coincident diamond drill hole results. The database at Paracatu also includes 458 test pits (5,070 meters) which were largely restricted to the C and T horizons that have largely been mined out. Where RC holes have been twinned by diamond drill holes, the RC results have been excluded from the resource and reserve estimation process. Only the RC holes that have not been twinned are included in the estimation process.

In the first quarter of 2005, Kinross committed to a phased exploration program at Paracatu to delineate measured and indicated resources west of Rico Creek. As of December 31, 2005, Kinross had completed 267 diamond drill holes (48,660 meters) which were added to the historical database. Total exploration costs were approximately $5.2 million.

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

Core recovery from the diamond drill programs is reported to be excellent, averaging greater than 95%. RPM employs a systematic sampling approach where the drilling (and test pitting) is sampled employing a standard 1.0 meter sample length from the collar to the end of the hole.

All drill core is logged geologically and geotechnically, recording litho-structural and physical data and recording it in detailed logging sheets. The core is also photographed and a permanent record is maintained in the onsite filing system. All samples are marked and collected by geologists or technicians employed by RPM.

Historical sample preparation reduced each one meter core sample to 95% passing 1.44mm. Crushed samples were homogenized and split with approximately 7 kg stored as coarse reject. Approximately 200 grams of the remaining sample were split off for ICP analysis and 1.35 kg of sample was split out for Bond Work Index analysis. The remaining sample (4.5kg) was dried and further reduced to 95% passing 65 mesh. This sample was homogenized and split with 4.2 kg stores as pulp reject and the remaining 300 g was fully analyzed using standard fire assay with AA finish in a series of six, individual 50 grams aliquots. Results from the six individual aliquots were weight averaged together to determine the final grade for each sample.

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

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

Samples (typically 8.0 kg) are crushed to 95% passing 2.0 mm and homogenized at the RPM sample preparation lab. Approximately 6 kg of sample is stored as coarse reject; the remaining 2 kg of sample is split out and pulverized to 90% passing 150 mesh. This sample is homogenized and three 50 grams aliquots are selected for fire assaying with an AA finish. The remaining pulverized sample is maintained as a sample pulp reject. Sample analyses were performed at three separate analytical labs during the exploration program.

Quality control and quality assurance programs were limited during the earlier exploration programs at Paracatu. The dominant quality control procedure involved the use of inter-laboratory check assays comparing results from RPM's analytical lab to Lakefield Research in Canada. Additional check assay work was carried out at the Anglo Gold laboratories in Brazil (Crixás and Morro Velho).

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

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

Mining and Milling Operations

Historically mining at Paracatu has not required blasting of the ore. Ore was ripped using CAT D10 dozers, pushed to CAT 992 front-end loaders and loaded to CAT 777 haul trucks for transport to the crusher. In 2004, due to increasing ore hardness in certain areas of the mine, RPM began blasting the harder ore in advance of ripping. Currently powder factors are very low. Weathering has led to the development of an oxidized mantle over the sulphide mineralization with thickness varying from 20 to 40 meters. The mine is situated on a gently sloping hillside and historically there has been no waste stripping requirements. Waste stripping will be required as mining advances down dip.

The mill and mine operate 24 hours per day, 7 days per week. The nominal plant throughput is 1.5 million tonnes per month or 18 million tonnes per year, considering the present ore hardness. An ore stockpile of approximately 10 days production is maintained near the processing plant. Its main purpose is to ensure uninterrupted mill feed in the rainy season when some delays may be experienced in the pit during extreme rainfall. During the dry season the stockpile can be used if the pit becomes too dusty. RPM is committed to controlling dust levels on site and in the city.

Ore is crushed and ground prior to introduction into a flotation circuit. The concentrate is treated by gravimetric methods first and the coarser gold is recovered. The concentrate reject from the gravimetric plant is then treated by a conventional cyanidation and carbon-in-leach circuit developed by Rio Tinto. The processing plant, subjected to several upgrades over the mine life, currently processes 18 million tonnes per year ("Mtpa").

Plant throughput has been expanded two times with expansion upgrades in 1997 and 1999. RPM recognized that further plant improvements were necessary in order to maintain current production levels in the face of increasing ore hardness. Exploration drilling successfully traced the Paracatu deposit to depth but sampling indicated that ore hardness increases proportionately with increasing depth from surface.

A study completed in 2004 considered expanding the current 18 Mtpa process facility to 30 Mtpa with the addition of an IPCC system, 38 foot diameter SAG mill and expansion of the existing gravity circuit.

As the study was nearing completion, Kinross and RPM staff were reviewing conceptual models quantifying the potential resource and reserve increase related to exploration activity west of Rico Creek. Preliminary models suggested there was an opportunity to considerably increase the resource and reserve base. This led to the decision to re-evaluate Expansion Project III in light of potential reserve increase resulting from successful exploration programs west of Rico Creek.

A plant capacity scoping study was initiated with the intent of isolating the preferred throughput rate for Expansion Plan III. Key assumptions from the 2004 study were maintained. The plant capacity scoping study recommended that Expansion Project III be increased to a 50 Mtpa throughput rate. The expansion would take place in two stages. The first stage would see construction and commissioning of a separate mill stream anchored by the same SAG mill considered in the 2004 study. This line would have a capacity of 32 Mtpa. Once commissioned, phase two would commence with the shut down, refurbishment and modification of the existing 18 Mtpa plant. The 18 Mtpa mill will be brought back on line to treat the softer B1 ore, thus a total throughput capacity of 50 Mtpa will be attained.

The additional throughput increase will require additional flotation capacity and upgrading of the existing hydrometallurgical plant and a new tailing pond. The phased approach to construction minimizes production disruption, addresses concerns regarding power and water supplies and reduces total capital costs for the project.

As at December 31, 2005, the net present value of future cash outflows for site restoration costs for Paracatu under CICA Handbook Section 3110 was $12.4 million.

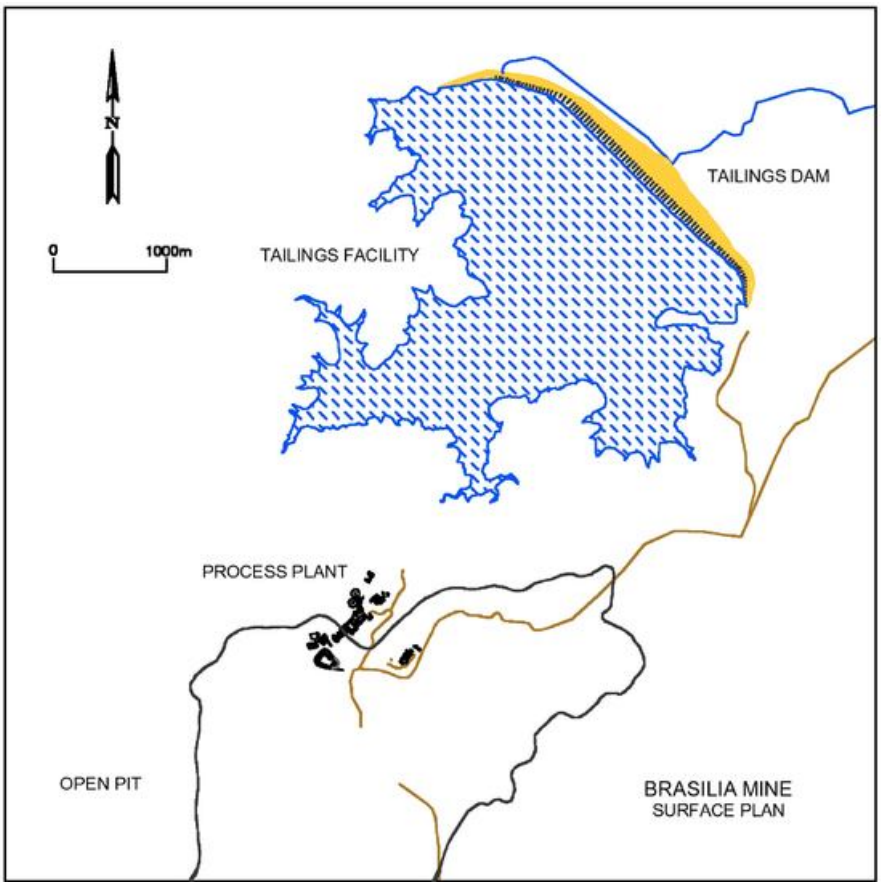
Currently in Brazil there are no laws requiring the posting of a reclamation bond or other financial assurance.

Life of Mine, and Capital Expenditures

The Paracatu mine currently has a nominal capacity of about 18 million tonnes per year with variations depending on the hardness of the ore, as it affects grinding throughput. In general, ore hardness is expected to increase over the remaining mine life as the pit is deepened and hence throughput will diminish over time.

Based on pilot plant test results and the plant capacity scoping study RPM has recommended construction of Expansion Project III. In the fourth quarter of 2005, basic engineering for Expansion Project III was awarded to SNC Lavalin Engineers and Constructors Ltd. and Miner Consult Engenhania. The Expansion Project III is currently estimated to cost between $400 million and $500 million, including expansion of plant capacity to 50 Mtpa. If the Expansion Project III is realized, the life of mine for Paracatu will extend to the year 2034, with a life of mine annual production of 370,000 ounces of gold.

In 2005 Kinross spent approximately $21.3 million in capital expenditures attributed predominantly to basic engineering.



Refugio Mine

The Refugio heap leach mine is owned and operated by Compania Minera Maricunga, a Chilean company that is equally owned by Kinross, as the operator, and Bema Gold Corporation ("Bema"). Kinross acquired its 50% interest through a merger agreement with Amax Gold Inc. (Amax) in 1998.

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

Property Description and Location

The Refugio Property is located in the Maricunga District of the III Region of Chile. The property is located 120 km due east of the city of Copiapó at elevations between 4,200 and 4,500 meters above mean sea level.

All surface and mineral claims, surface rights and water rights are maintained in good standing. Mining claims total 8,380 hectares while the exploration properties held by CMM include 5,900 hectares. Chilean attorneys monitor claim status on behalf of CMM annually. In addition to the mineral claim rights, CMM also holds title to surface rights at Refugio, providing the land required for the leach pads, waste dumps, camp and other facilities. Water extraction rights, totaling 258 liters per second have been secured by CMM.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

Access to the property is via 156 km of two-lane dirt road connecting with the paved highway C-35 approximately 10 km south of Copiapó. The first 96 km of the dirt road are an international, public highway. Approximately 60 km from the Refugio site, the road branches to the southeast to Argentina and the northeast to the mine site. The final 60 km is a private road. The Refugio Project is located in steep, mountainous terrain with slopes up to 35%. The site is largely devoid of vegetation with the exception of the spring-fed marshes found along the valley floors. The climate is arid with an average annual precipitation of 87mm, most of which is realized as snowfall during the winter months (March through August). Generally, very little precipitation occurs during the summer months (September through February). Local wildlife is sparse.

The town of Copiapó is the primary staging and support area for the mine. Chile features a strong mining culture with well established support centers in both Santiago and Antafagasto. Both centers are within reasonable distance of the project. Most of the major equipment supply and support originates from these two major centers. Manpower is attracted from throughout Chile with the majority of the employees residing in Copiapó or La Serena.

Most of the existing infrastructure required little to no modifications or improvements other than general clean up and repair. The leaching and ADR facilities are in good repair as are the power generation, maintenance shops, office facilities and camp. Significant upgrades designed to increase production throughput were planned for the in-pit crushing and conveying and secondary/tertiary crushing and screening infrastructure in order to meet planned production throughput.

History

David Thomson and Mario Hernandez discovered gold mineralization at Refugio in 1984. Hernandez, Thomson, and three other partners acquired the existing claims at Refugio for Compania Minera Refugio (CMR). CMR completed geologic mapping and geochemical sampling, identifying anomalous gold values in three areas: 1) Cerro Verde, 2) Cerro Pancho, and 3) Guanaco. In 1985, Anglo American Chile Limitada (Anglo) optioned the property from CMR. Anglo explored the property for three years, returning the claims to CMR in 1988.

In 1989, CMR signed a letter of intent to explore the Refugio property with Bema Gold Corporation (Bema). Bema commenced exploration fieldwork in October 1989 and, from 1989 to 1991, completed 51,765 meters of drilling at Verde with an additional 5,088 meters at Pancho. Bema also commissioned Mineral Resources Development Inc (MRDI) to complete a feasibility study on the project, which indicated positive project economics. In January 1993, Bema exercised its option rights, obtaining a 50% interest in the Refugio properties. At the same time, CMR sold its remaining 50% interest to Amax Gold Inc. (Amax). Amax (operator) and Bema formed Compania Minera Maricunga (CMM), a 50/50 joint venture to develop and operate the Refugio project. From 1993 through 1997, CMM continued developing the project, beginning commercial production in 1996. In 1998, Kinross acquired Amax's 50% interest through a merger agreement.

The mine operated from 1996 to 2001, producing more than 920,000 ounces of gold from 46.0 million tonnes of ore. The mine was placed on care and maintenance in 2001, a result of a downturn in gold prices. In September 2002, in response to rising gold prices, CMM approved an exploration program designed to increase the reserve base of the Refugio Project to a level sufficient to support resumption of active mining. An exploration program was developed to evaluate the reserve potential at depth at the Verde deposits and the inferred resource at the nearby Pancho deposit, located approximately 2.0 km northwest of the Verde pit. The exploration program ran from September 2002 to June 2003. During this period, a total of 262 drill holes (51,478 meters) of drilling were completed. The drilling focused on increasing the confidence level of the known mineralization below the current Verde pits as well as increasing the confidence level in the mineralization at the nearby Pancho deposit.

The reserves resulting from the exploration program are based on a detailed engineering study examining the economics of the project. The reserves were used to complete a life-of-mine production schedule that in turn served as the basis for a financial analysis which indicated project economics at gold prices in excess of $325 per ounce. A decision was then made to reopen the mine.

Geology and Mineralization

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

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

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

Gold mineralization at Refugio has been interpreted to be porphyry style gold systems. The porphyries occur within a sequence of intermediate tuffs, porphyries and breccias that are the host rocks to the gold mineralization. The most favourable ore hosts at Verde are the Verde breccia and dacite porphyry units. Mineralization at Pancho is concentrated within a sub-horizontal volcanic breccia unit. Underlying the volcanic breccia is a large, laterally extensive, diorite porphyry, which outcrops half way down the Pancho west slope. This porphyry underlies the entire Pancho area.

Gold mineralization at Verde is interpreted to be the result of the fracturing and concentration of fluids in the carapace of an intrusive plug or stock. Gold is closely associated with quartz, magnetite, calcite, and garnet stockworks. Gold mineralization at Pancho is characterized as porphyry hosted stockwork and sheeted veins. The veins are subvertical and have a strong, preferred north-westerly strike. The northwest structural control is evident not only at outcrop scale but is also reflected in the northwest alignment of intrusives and the three centers of mineralization in the district, Verde, Pancho and Guanaco.

Exploration

Exploration of the Verde and Pancho deposits has been ongoing since 1984. A total of 667 holes (103,392 meters) of diamond and RC drilling has been completed on the Verde deposit with an additional 147 holes (30,240 meters) completed at Pancho. The drilling has resulted in a drill spacing of approximately 50 × 50 meters at Verde and 75 × 75 meters at Pancho. Much of the 2002 - 2003 drilling was diamond drill core, allowing geologists an opportunity to clearly delineate geological and alteration features affecting gold mineralization and recovery.

In 2004, CMM drilled 8 condemnation holes around the property. Results outlined one area of mineralisation with potentially economic grades.

Drilling, Sample Preparation and Analysis

Historically, most of the drilling at Refugio consisted of RC drilling. The destructive nature of this drill method made identification of lithology, structure and alteration difficult. The 2002 - 2003 drilling consisted primarily of diamond drill core, providing site geologists with an opportunity to refine the geology model of the deposit.

The mine survey crews established the collar location and marked it in the field. The survey crew later verified alignment and inclination when the drill hole was in progress. Downhole inclinometry was completed at the end of each hole. Gyroscopic azimuth and inclination readings were taken every 10 meters down the hole to within ten meters of hole bottom and every 50 meters back up the hole as a double check. All field surveys were tied into the established mine grid. Guillermo Contreras and Sons Limitada (Santiago), licensed Chilean surveyors completed a survey audit that verified an approximate 10% of the drill collars using a differential GPS survey system. No significant errors were noted.

CMM provided all of the technical support for the sampling, geologic logging, and drill supervision. Rig geologists and samplers were responsible for the quality/accuracy of each sample. Geologists and samplers typically had up to 15 years experience sampling. All logging utilized standardized logging forms and a geological legend developed for the Verde and Pancho deposits. The legend has evolved from historic observation and is consistent with both the regional and local geology.

The 2003 drill program adopted a 2.0 meter standard sample length for all samples. All sample preparation, including core splitting (sawing) was performed and supervised by ALS Chemex personnel. ALS Chemex established, equipped and staffed a portable sample preparation facility at the Refugio mine for the duration of the program. After splitting, one half of the core was placed in sample trays along with the sample tag. The other half of the core was fitted back into the core box and returned to CMM for placement in permanent storage. The prepared samples were received at the ALS Chemex's facility in La Serena (the primary analytical lab for the duration of the program) where analyses for gold, silver and copper and cyanide soluble gold and copper analyses were performed.

An independent engineer completed operational audits of the La Serena lab for the 2002-2003 program. The operational audits were performed measuring compliance with analytical best practices as well as to NI 43-101 requirements with respect to quality control and quality assurance. The independent engineer did not note any significant problems with this facility, concluding that ALS Chemex's lab and procedures met the highest industry standards. ALS Chemex also inserted their own blanks, standards and duplicate samples for each sample batch as part of the labs own internal quality management program.

Mining and Processing

A production rate of 14 million tonnes per year (40,000 tonnes per day) in the Verde pits and 10.5 million tonnes per year (30,000 tonnes per day) in the Pancho pit is planned. The mine is scheduled to operate two 12-hour shifts per day for 355 days annually allowing for inclement weather interruptions. The capital investment includes the purchase of a new mining fleet including front end loaders, haul trucks, bulldozers, rotary drills and support equipment. Final pit design for Verde and Pancho assumed 10 meter bench heights, bench face angles of 65° to 70°, berm widths of 8 to 11 meters, berm interval of 20 meters, inter-ramp angles of 38° to 52.5° and haul road gradient at 10% with a 25 meter road width.

The Refugio Project gold recovery process consists of a single line primary crushing, fines crushing (secondary and tertiary), heap leach and adsorption, desorption and regeneration ("ADR") plant operation. The process is designed to treat 40,000 tonnes per day of dry Refugio ore using primary crushing followed by a secondary and tertiary crushing plant. The planned crushing plant product is approximately 80% passing 8 mm –10 mm. A pad type heap leach and an ADR plant will be used for gold recovery.

A comprehensive program of metallurgical testing incorporating bottle roll tests and column leach tests of samples obtained from drilling was established to determine gold recovery and reagent consumption data for the remaining Verde resources and the Pancho resource. Based on the recovery estimates by ore type, process recovery over the mine life averaged 67.7% of contained gold in the plant feed. Life of mine annual gold production is expected to range from 220,000 to 230,000 ounces on a 100% basis.

No significant environmental permitting issues have been identified. Most of the proposed plant improvements represent little to no change to the existing footprint. The increased reserves will result in the need to permit additional leach pad capacity but this is not considered to be a risk, as the existing permitted space is sufficient for the majority of the remaining reserves.

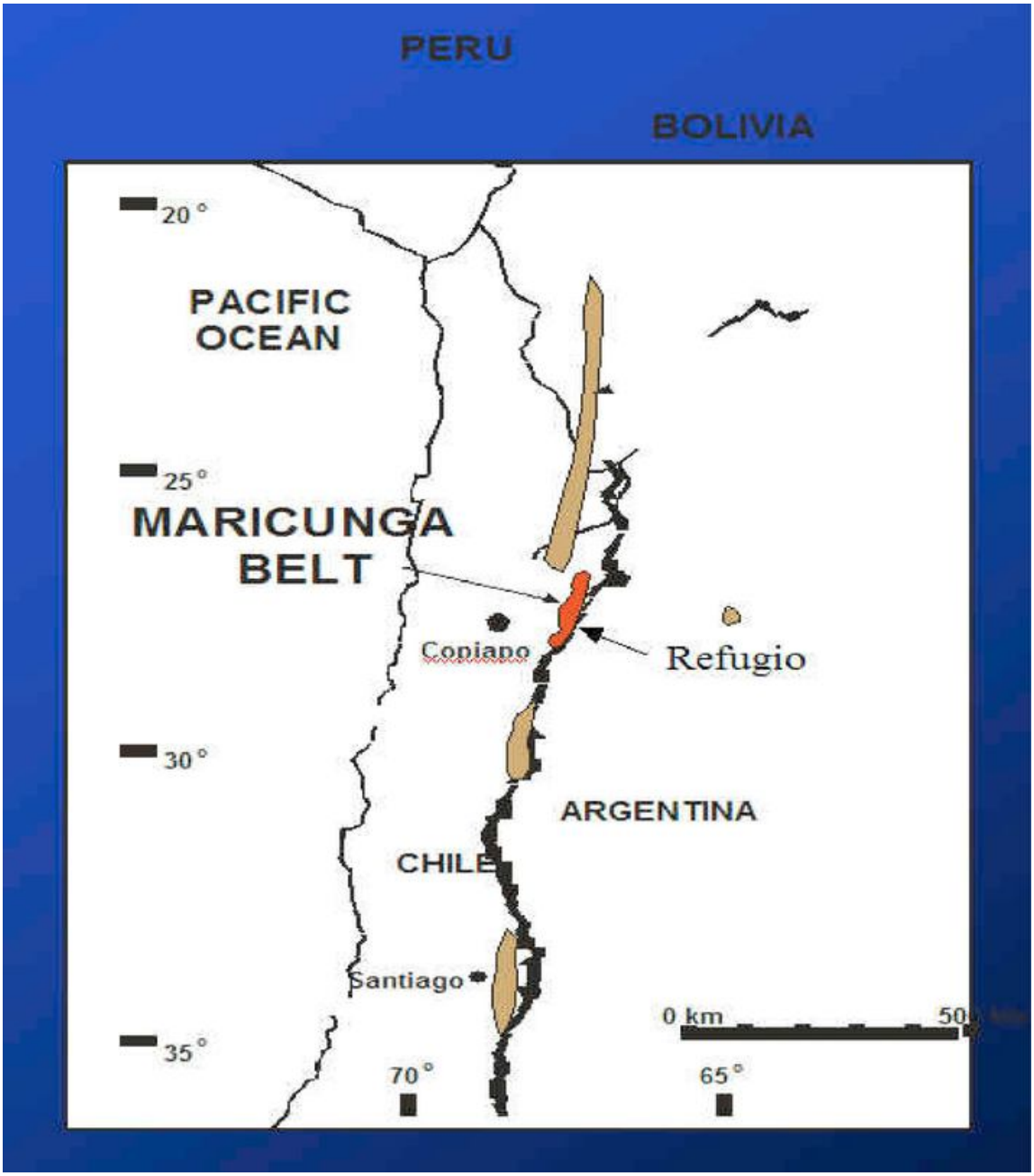
A reclamation plan for the current mine disturbance was approved in 2002, based on the commitments made in the original environmental impact assessment for the site (1994). The plan addressed physical activities, such as earthworks, but did not address chemical closure of the heap. A closure plan for chemical stabilization of the heap has been prepared and will be submitted to the regulatory authorities in the form of a declaration of environmental impact, following submittal of the declaration of environmental impact for site operational modifications.

Kinross' share of the net present value of future cash outflows for site restoration costs at Refugio under CICA Handbook Section 3110, as at December 31, 2005, are estimated at $3.2 million. There is no requirement to post financial assurance to secure site restoration costs in Chile at present.

Life of Mine, and Capital Expenditures

It is proposed to mine the Verde deposit first at an ore processing rate of 14 million tonnes annually ("Mt/a") (40,000 tonnes per day), followed by the Pancho deposit at 10.5 Mt/a (30,000 tonnes per day). Some concurrent mining is anticipated during the transition period between the two deposits. Based on these processing rates and the reserves presented above, the mine life is estimated to be up to 2028.

Kinross spent approximately $26.2 million for its share of capital expenditures in 2005.



Round Mountain

Kinross owns an undivided 50% interest in and operates the Round Mountain gold mine. An affiliate of Barrick Gold Corporation owns the remaining undivided 50% interest in the joint venture common operation known as the Smoky Valley Common Operation. Kinross acquired its interest in the Round Mountain in its combination with Echo Bay in January 2003. Kinross and Barrick have first refusal rights over each other's interest in the property.

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

Property Description and Location

The Round Mountain gold mine is an open-pit mining operation located 96 kilometers (60 miles) north of Tonopah in Nye County, Nevada, U.S.A. The property position consists of patented and unpatented mining claims covering approximately 21,199 hectares (52,384 acres). Kinross has received patents to convert mineable land to patented status. Patented claims cover all of the current reserves at the Round Mountain mine.

The Smoky Valley Common Operation controls the mineral and surface rights of the mine through the ownership of 109 patented lode claims, 2689 unpatented lode claims, and 358 unpatented placer claims in a series of claim blocks located between Gold Hill, Round Mountain, and Manhattan. The total area of mineral rights controlled by these claims is 52,384 acres. The patented claims are held as private property (fee simple) and are legally surveyed. Most of the reserves are located on patented claims. The unpatented claims are held under the 1872 Mining Law (as amended) and are subject to annual filing requirements and claim maintenance fees. The majority of the unpatented claims are located on land administered by the Bureau of Land Management; the remainder is located on land administered by the U.S. Forest Service. The unpatented claims are accurately located but not legally surveyed.

Mine production is subject to a net smelter return royalty ranging from 3.53% at gold prices of $320 per ounce or less to 6.35% at gold prices of $440 per ounce or more. During 2005 this royalty averaged 6.35%. Its production is also subject to a gross revenue royalty of 3.0%, reduced to 1.5% after $75.0 million has been paid. For the year 2005, $14.9 million in royalties has been paid.

The property is subject to no known environmental liabilities or mitigative measures. All environmental permitting is up to date and in order.

The Round Mountain gold mine is subject to the Nevada State and United States federal employment taxes, business license tax, net proceeds of minerals tax and properties sales and use tax.

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

The mine site is accessed by State Highway 376, a paved two-lane paved highway that connects U.S. Highway 6 in Tonopah to the south and U.S. Highway 50 to the north. The mine is located approximately 400 kilometers (250 miles) from the major metropolitan areas of Las Vegas and Reno, Nevada. The mine is supported by the local communities of Hadley and Carvers, which provide most of the housing for mine personnel. Sierra Pacific Power Co. provides electrical power to the mine. There are sufficient surface and water rights to support all current and forecasted mining at the site.

The mine area straddles the transition between the floor of the Big Smoky Valley and the adjacent Toquima Range. Mine site elevations vary between 1,800 to 2,100 meters (5,800 to 6,800 feet) above sea level. Elevations in the Big Smoky Valley and Toquima Range vary from 1,800 meters (5,800 feet) in the valley floor to 3,640 meters (11,941 feet) at the summit of Mount Jefferson.

The oblong open-pit mine is over 1.6 kilometers (one mile) in length at its longest dimension and currently more than 420 meters (1,380 feet) from the highest working level to the bottom of the pit.

The Round Mountain mine lies within an arid, high desert setting. Average annual precipitation in the Big Smoky Valley is approximately 127 to 178 millimeters (5-7 inches) with most of that total falling during the winter months. Snow is common at the valley floor, but rarely remains on the ground for more than a few days. Local rainfall can be extreme and flash flood events are not uncommon in the region. Temperature range can be extreme, with average daily fluctuations exceeding 22 degrees Celsius (40 degrees Fahrenheit). Winter temperatures are typically –12 to –7 degrees Celsius (10 to 20 degrees Fahrenheit) at night and 0 to 10 degrees Celsius (30 to 50 degrees Fahrenheit) during the day. Rarely (typically less than 10 days per year), winter low temperatures can fall below –18 degrees Celsius (0 degrees Fahrenheit). Summer temperatures vary from 4 to 12 degrees Celsius (40 to 55 degrees Fahrenheit) at night to 32 to 40 degrees Celsius (90 to 105 degrees Fahrenheit) during the day.

History

The first gold production from the Round Mountain District occurred in 1906. Historic production from 1906 through 1969 based on United States Bureau of Mines records was 346,376 ounces of gold and 362,355 ounces of silver. Actual unreported production was probably significantly higher. Early important companies actively mining in the district were the Round Mountain Mining Co., the Fairview Round Mountain Mining Co., the Round Mountain Daisy Mining Co., the Round Mountain Sphinx Co., the Round Mountain Red Top Co., and the Round Mountain Red Antelope Mining Co. At some point prior to 1929, Nevada Porphyry Mines, Inc. consolidated many of the claims and controlled most of the district. Nevada Porphyry Mines and the A. O. Smith Corp. investigated the bulk tonnage potential of the property in 1929 and 1936 to 1937, respectively. In 1946 through 1962, the Yuba Consolidated, Fresnillo, and Consolidated Goldfields developed and mined the placer deposits flanking Round Mountain and Stebbins Hill.

At some time between 1962 and 1969, the Ordrich Gold Resources Inc. acquired control of the property from Nevada Porphyry Gold Mines. In 1969, Copper Range Co. leased the property and developed a small reserve of 12 million tons at a grade of 0.062 oz of gold per ton. The Smoky Valley Common Operation was formed in 1975 to operate the mine. This was initially a joint venture in which Copper Range held a 50 percent interest and Felmont Oil Co. and Case Pomeroy Co. each held a 25% interest.

Commercial production commenced in 1977. In 1984, Homestake Mining Company acquired the Felmont Oil interest in the operation and, in 1985, Echo Bay acquired the Copper Range interest. Effective July 1, 2000, Homestake increased its interest in the Round Mountain mine from 25% to 50% when it acquired the Case Pomeroy interest. Effective December 14, 2001, Barrick Gold Corporation completed a merger with Homestake Mining Company thereby acquiring the Homestake interest in the mine. In January 2003, Kinross acquired its 50% interest in the mine and became the operator for the Smokey Valley Common Operation.

Geology and Mineralization

The Round Mountain mine is located along the western flank of the southern Toquima Range within the Great Basin sub-province of the Basin and Range province of western North America. The Basin and Range physiographic province is characterized by generally north-south trending block faulted mountain ranges, separated by alluvium-filled valleys.

The geology of the Round Mountain mine consists of a thick sequence of intracaldera Oligocene ash-flow tuffs and volcaniclastic rocks resting upon pre-Tertiary basement rocks. The caldera margin is mostly buried but in the pit area is well defined by a progressively steeper dipping arcuate contact between the volcanic rocks and older basement rocks. The caldera margin and caldera related structures provided the structural ground preparation for the hydrothermal system. The primary host rocks for gold mineralization are the volcanic rocks. A minor amount of ore occurs in the Paleozoic rocks along the caldera margin.

The Round Mountain Gold deposit is a large, epithermal, low-sulfidation, volcanic-hosted, hot-springs type, precious metal deposit, located along the margin of a buried volcanic caldera. The deposit genesis is intimately associated with the Tertiary volcanism and caldera formation. Intra-caldera collapse features and sympathetic faulting in the metasedimentary rocks provided the major structural conduits for gold-bearing hydrothermal fluids. In the volcanic units, these ascending fluids deposited gold along a broad west-northwest trend.

Gold mineralization at Round Mountain occurs as electrum in association with quartz, adularia, pyrite and iron oxides. Shear zone fractures, veins and disseminations within the more permeable units host the mineralization. Primary sulfide mineralization consists of electrum associated with or internal to pyrite grains. In oxidized zones, gold occurs as electrum associated with iron oxides, or as disseminations along fractures.

Alteration of the volcanic units at Round Mountain can be characterized as a continuum from fresh rock progressing through highly altered alteration assemblages. There is a reasonable correlation between increasing gold grades and increasing degrees of alteration.

Ore zones within the metasediments are more subtle, largely defined by secondary quartz overgrowths, pyrite, and adularia associated with narrow northwest trending structures.

Exploration

Kinross' share of exploration for 2005 was approximately $3.96 million. The three components of the exploration were pit expansion drilling, commencement of the underground decline and exploration within the AMI (Area Mutual of Interest). The AMI is a large area which includes the Round Mountain mine, where the exploration is conducted mutually by Kinross and Barrick.

The Round Mountain pit expansion drilling program was started in 2004 and was completed in 2005. This exploration successfully delineated sufficient mineralization to justify the pit expansion which began in November 2005.

In July 2005, an underground exploration decline was collared in the bottom of the Round Mountain pit. The target of the decline is a zone of high-grade gold mineralization discovered by wide spaced surface reverse circulation and core holes. The planned length of the decline is approximately 1,676 meters (5,500 feet) at a grade of minus 15%. The decline will provide a platform for underground drilling of the mineralized zone. At the end of 2005, the decline had been driven approximately 457 meters (1,500 feet).

Exploration within the AMI during 2005 included exploration drilling, generative work, geologic mapping, geochemical sampling and geophysical surveys.

Drilling, Sample Preparation and Analysis

The current drill database for the open pit reserve contains a total of 5,017 drill holes, of which 4,710 are RC drill holes and 307 were drilled using diamond core methods. A separate database is maintained for dump drilling which contains an additional 1,512 drill hole records.

The majority of the drilling is vertical with angle holes used where vertical structures are anticipated. All dump holes are drilled vertical.

All holes are sampled on 1.5 meter (5 foot) intervals and a "chipboard" constructed for each drill hole with sample from each interval glued to a board representing the complete hole.

Sample data for the reserve model is derived primarily from conventional, RC rotary and HQ size core drilling. Holes are initially drilled on 61 meter (200 foot) centers defining deposit limits. In-fill drilling is completed on centers of 42.6 meters (140 foot) or less to develop reportable reserves used in mine planning.

RC drill cuttings are passed through a wet rotary splitter to collect a 4.5 to 6.8 kilogram (10 to 15 pound) sample for each1.5 meter (5 foot) interval. A sampling technique which uses flocculent to settle drill cuttings has been employed to capture very fine-grained material and assure sample integrity. This technique captures nearly 100% of the rock material generated during the drilling process. Core samples are split with a rock saw in five-foot intervals, with half the sample assayed, and the other half stored for reference.

The samples collected from drill holes are prepared and assayed by the Round Mountain mine assay laboratory or commercial laboratories. All assay laboratory chemists and technicians at the Round Mountain mine lab are employees of Round Mountain Gold Corporation. The Round Mountain laboratory is not certified by any standards association. The commercial laboratories are ISO-9002 certified. A mine geologist or mine geologic technician delivers the drill samples to the assay laboratory. Samples assayed by the commercial laboratories are picked up at the mine by the commercial lab service providers and carried by truck to their sample preparation facilities and/or laboratories.

The Round Mountain Deposit is noted for its coarse gold occurrences and high nugget effect in assaying. In order to minimize the sampling variation, a five-assay ton or 145.8 gram sample is used in the fire assay. To minimize potential lead exposure of the laboratory staff, bismuth is used as the collector of the gold and silver. After a 2-hour fusion, the samples are poured into molds. The samples are slagged and are cupelled in the cupel room. Following cupellation, the bead is smashed and parted with nitric acid, rinsed, dried, and annealed. The fire assay is completed with a gravitimetric finish.

The assay laboratory maintains an internal assay quality control program. Laboratory supervisors routinely conduct quality inspections of sample preparation, equipment calibration, and assaying procedures. The lab regularly participates in round robin assays with other mine labs to check internal procedures. Five percent of all pulps are screened to verify that the pulps meet specification. Because of the large crucibles used in the five assay-ton fire assay, only 11 samples are fired per oven. Of these, one of the samples is either a blank (barren silica sand) or a certified standard that is inserted randomly by the lab computer system. The blank is inserted prior to the preparation stage. The standard is inserted following sample preparation. If the assay results exceed limits for either the blank or the standard, the entire batch is re-assayed.

Assay results from blanks and standards are plotted and graphed daily. These graphs are an integral tool used by the assayers and supervisors to continuously monitor and improve lab procedures.

Mining and Milling Operations

The Round Mountain mine currently operates a conventional open pit that is approximately 2,500 meters (8,200 feet) long in the north-west, south-east direction and 1,500 meters (5,000 feet) wide (north-east to south-west). The mining is conducted on 10.7 meter (35 foot) benches by electric shovels and front end loaders paired with 136, 172 and 218 tonne (150, 190 and 240 ton) haul trucks.

Blasthole patterns are drilled on centers that range from 4.8 to 9.1 meters (16 to 30 feet). Blasthole samples are collected and assayed and provide the control for ore segregation. Based upon these assays, blasted pit ore is determined to be run-of-mine dedicated pad ore, crushed reusable pad ore, or waste. Sulfide material greater than or equal to0.620 grams per tonne (0.018 ounces per ton) of gold is shipped directly to the mill or mill stockpile. Run-of-mine ore is delivered the dedicated pad. Re-usuable pad ore is crushed and placed on reusable leach pads and waste is delivered directly to the waste dumps. Placer material encountered during normal stripping operations is sent to the dedicated pad. High grade coarse gold bearing ore is handled in one of three ways: 1) leached on the re-useable pad and offloaded to the mill; 2) sent directly to the gravity plant with tails reporting to the mill; or 3) sent directly to the mill or mill stockpile. Gold particle size and distribution of high-grade ore determines the processing method.

The Round Mountain operation uses conventional open-pit mining methods and recovers gold using four independent processing operations. These include crushed ore leaching (reusable pad), run-of-mine ore leaching (dedicated pad), milling and the gravity concentration circuit. Most of the ore is heap leached, with higher grade oxidized ores crushed and placed on the reusable pad. Lower grade ore, ore removed from the reusable leach pad and stockpiled ore that was previously leached are placed on the dedicated pad.

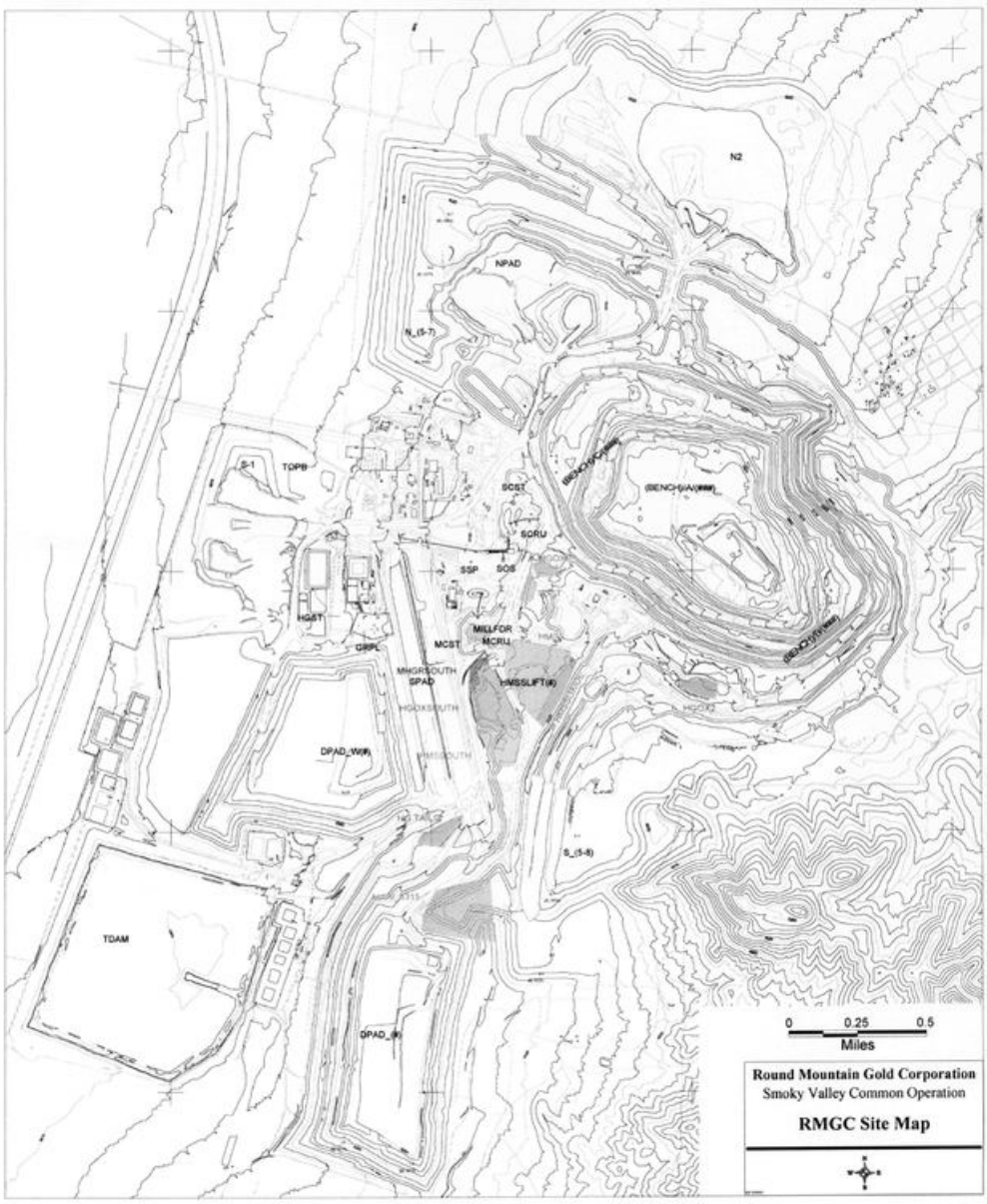
The finished doré bullion is shipped to refineries in North America for further processing as per the agreements of established contracts of the participants of the Smoky Valley Common Operation. Once the doré bullion leaves the mine site, marketing and sales are the responsibility and at the discretion of the Joint Venture partners.

The site Plan of Operations and Comprehensive Reclamation Plans filed with the United States Department of the Interior, BLM and Nevada Division of Environmental Protection (NDEP) have been approved for all current operational facilities. Annual updates of the Reclamation Plan are prepared to adjust for cost inflation and to take credit for concurrent reclamation activities and submitted to the above listed agencies. The current reclamation cost estimate, approved by the BLM, USFS and NDEP totals $40.6 million. The net present value of the future cash outflows computed in accordance with CICA Handbook Section 3110, was $25.9 million at December 31, 2005. Tentative plans for permanent closure activities have been approved by the NDEP and BLM. Each participant in the Common Operation is responsible for its own estimate of reclamation costs in its own accounts. Kinross has posted letters of credit totaling $20.3 million in support of its share of site restoration costs as of December 31, 2005.

Life of Mine, and Capital Expenditures

Round Mountain is currently in the process of permitting the Gold Hill pit which is approximately 8.05 kilometers North of the existing operation. The joint venture partners approved an expansion to the Round Mountain pit in late 2005 and mining activities were initiated in November 2005. The expanded operations at Round Mountain have extended the mine's life through the year 2014.

Kinross' share of capital expenditures for 2005 was approximately $5.9 million.


N2
NPAD
TOPB
SCST
SCRU
SSP
SOS
HGST
MILLFOR
MCRU
MCST
CRPL
MMGRSOUTH
SPAD
DMSSLIFT(#)
DPAD_W(#)
TDAM
DPAD_(#)
0
0.25
0.5
Miles
Round Mountain Gold Corporation
Smoky Valley Common Operation
RMGC Site Map

DIVIDEND POLICY

No dividends on the Kinross common shares have been paid by Kinross to date. For the foreseeable future, it is anticipated that Kinross will use earnings, if any, to finance its growth and that dividends will not be paid to shareholders, other than dividends payable to the holder of the Kinross preferred shares in accordance with their terms. Pursuant to Kinross' syndicated credit facility, Kinross is required to obtain consent from the lenders prior to declaring any common share dividend. Under the terms of its outstanding preferred shares, the payment of common share dividend would require the approval of the holders of the preferred shares under certain circumstances (see "Description of Capital Structure").

LEGAL PROCEEDINGS

Class Action

The Company was named as a defendant in a Class Action Complaint filed on or about April 26, 2002 (the "Complaint"), entitled Robert A. Brown, et al. v. Kinross Gold U.S.A., Inc., et al., Case No. CV-S-02-0605-PMP-RJJ, in the United States District Court for the District of Nevada. The Complaint named as defendants the Company, its subsidiaries, Kinross Gold U.S.A., Inc. and Kinam Gold, Inc. ("Kinam"), and Robert M. Buchan, former President and C.E.O. of the Company. The Complaint was filed on behalf of one potential class and three subclasses, i.e., those who tendered their Kinam $3.75 Series B Preferred Stock (the "Kinam Preferred") into the tender offer for the Kinam Preferred made by the Kinross Gold U.S.A., those who did not tender their Kinam Preferred but later sold it directly to the Company or any of its controlled entities after closure of the tender offer and delisting of the Kinam Preferred, and those who continue to hold Kinam Preferred. The Complaint alleged, among other things, that amounts historically advanced to Kinam should be treated as capital contributions rather than loans, that the purchase of Kinam Preferred from certain institutional investors in July 2001 constituted a constructive redemption of the Kinam Preferred, an impermissible amendment to the conversion rights of the Kinam Preferred, or the commencement of a tender offer, that the Company and its subsidiaries have intentionally taken actions for the purpose of minimizing the value of the Kinam Preferred, and that the amount offered in the tender offer of $16.00 per share was not a fair valuation of the Kinam Preferred. The Complaint alleged breach of contract based on the governing provisions of the Kinam Preferred; breach of fiduciary duties; violations of the "best price" rule under Section 13(e) of the Securities Exchange Act of 1934, as amended, and the New York Stock Exchange rules; federal securities fraud in violation of Section 10(b) and 14(c) of the Securities Exchange Act of 1934, as amended, and Rules 10b-5 and 14c-6(a) thereunder; violation of Nevada's anti-racketeering law; and control person liability under Section 20A of the Securities Exchange Act of 1934, as amended. A second action seeking certification as a class action and based on the same allegations was also filed in the United States District Court for the District of Nevada on or about May 22, 2002. It named the same parties as defendants. This action has been consolidated into the Brown case, and the Brown plaintiffs have been designated as lead plaintiffs. Among other remedies, the plaintiffs seek damages ranging from $9.80 per share, plus accrued dividends, to $39.25 per share of Kinam Preferred or, in the alternative, the issuance of 26.875 to 80.625 shares of the Company for each Kinam Preferred. The Company brought a motion for judgment on the pleadings with respect to the federal securities fraud claims. On September 29, 2003, the Court ruled that plaintiffs had failed to adequately state any federal securities fraud claim, but allowed the Plaintiffs an opportunity to file an amended complaint. In response, the plaintiffs filed an Amended Class Action Complaint (the "Amended Complaint"), and the Company again moved for judgment on the pleadings on the federal securities fraud claims. On November 2, 2004, the Court granted the second motion, dismissing with prejudice Counts V, VI and VII of the Amended Complaint. Subsequently, the Company moved for judgment on the pleadings on Count III (the Best Price Rule) and Count IV (the Nevada RICO Claims) of the Amended Complaint. The Plaintiffs opposed the motion and filed a cross motion for summary judgment on Count III (the Best Price Rule). On May 27, 2005, the Court denied Plaintiff's motion for summary judgment and granted the Company's motion and dismissed Counts III and IV of the Amended Complaint. On June 14, 2005, the Court granted plaintiffs' unopposed motion for certification of the class and three subclasses. The Company anticipates continuing to vigorously defend this litigation. The Company cannot reasonably predict the outcome of this action, and the amount of loss cannot be reasonably estimated, therefore no loss contingency has been recorded in the financial statements.

The Hellenic Gold Properties Litigation

Pursuant to an October 14, 1998 judgment of the Ontario Court (General Division), Kinross had been holding a 12% carried interest in the Hellenic Gold Properties as constructive trustee for the Alpha Group. The Alpha Group commenced an action for damages against TVX and Kinross alleging among other things, a breach of trust arising from Kinross' decision to return the Hellenic Gold Properties to the Greek Government and place TVX Hellas into bankruptcy. In November 2005, Kinross entered into a settlement agreement with the Alpha Group pursuant to which Kinross paid the Alpha Group $8.0 million inclusive of legal costs and the parties exchanged mutual releases which brings all litigation between Kinross and the Alpha Group to an end.

1235866 Ontario Inc. ("1235866"), the successor to Curragh Resources Inc. commenced an action against the Alpha Group and TVX in 1998 relating to the Hellenic Gold Properties. The action alleged that members of Alpha Group had used confidential Curragh information in their pursuit of the Hellenic Gold Properties and that Alpha and TVX held their respective interest in these properties in trust for 1235866.

On July 28, 1999, TVX entered into an agreement with 1235866 whereby 1235866 agreed to limit any claim against TVX and diligently pursue its claim against the Alpha Group. In the event that 1235866 was successful in its actions against the Alpha Group, it would become entitled to a 12% carried interest as defined in the agreement and the right to acquire a 12% participating interest upon payment of 12% of the aggregate amounts expended by TVX and its subsidiaries in connection with the acquisition, exploration, development and operation of the Hellenic mines to the date of the exercise of the right to acquire the participating interest.

As a result of Kinross' decision to return the Hellenic Mining Properties to the Greek Government, place TVX Hellas into bankruptcy and settle with the Alpha Group; 1235866 has threatened an action against Kinross for breach of trust and breach of the agreement. To date no pleadings have been exchanged with respect to the threatened action. Kinross believes that it has a good defense to this threatened action.

On November 4, 2005, the Company settled the litigation associated with the Alpha group regarding the Hellenic mines for $8 million. The cost of this settlement was included in the accrual for litigation in 2004 in the Company's financial statements.

Summa

In September 1992, Summa Corporation ("Summa") commenced a lawsuit against Echo Bay Exploration Inc. and Echo Bay Management Corporation (together, the "Subsidiaries"), 100% owned subsidiaries of Echo Bay, alleging improper deductions in the calculation of royalties payable over several years of production at McCoy/Cove and Manhattan mines ("Royalty Lawsuit.") The Manhattan mine is no longer in production and the McCoy/Cove mine was sold in January 2003. The assets and liabilities of the Subsidiaries are included under the heading Corporate and other in the segmented information (see Note 18). The first trial was conducted in the Eighth Judicial District Court ("District Court") of Nevada April 1997, with Summa claiming more than $13.0 million in unpaid royalties and accrued interest. In September 1997, judgment was entered on behalf of the Subsidiaries and the Subsidiaries were awarded approximately $300,000 in attorney's fees and litigation costs. Summa appealed this judgment to the Nevada Supreme Court and in April 2002, the Supreme Court, sitting en banc, reversed the Judgment of the trial court and returned the action to the District Court for further proceedings consistent with its appellate opinion.

In September 2004, the District Court ordered that a new trial be conducted in February 2005. In the new trial, Summa updated its claim for unpaid royalties and accrued interest to the approximate amount of $25.0 million. In May 2005, judgment was again entered in favour of the Subsidiaries, with Summa receiving nothing by way of its complaint. The Subsidiaries' Motions for Litigation Costs and Attorney's Fees for both trial proceedings were granted, resulting in a judgment against Summa in the approximate amount of $700,000. Summa has filed its notice of appeal in July 2005 and its brief of appellant in the Nevada Supreme Court in January 2006. The Subsidiaries' responsive brief was filed on March 30, 2006. No hearing date has been set for this appeal.

In March, 2004, Summa's successor in interest, Howard Hughes Properties ("Hughes"), filed an action in District Court against Echo Bay and its Subsidiaries (collectively, ("Echo Bay Entities"), as well as Newmont Mining Corporation ("Newmont") more than thirty current and former directors of the Echo Bay Entities, Kinross and Newmont ("Director and Officer Defendants") and fifty Doe defendants (collectively, "Defendants".) The lawsuit alleges claims based upon a general allegation of a scheme or artifice to defraud, in which Defendants, at various indeterminate times and places, diverted and distributed the assets of Echo Bay Entities (to render the Echo Bay Entities insolvent) to each other, so Hughes would be unable to collect any judgment it might obtain against the Echo Bay Defendants (Echo Bay Management and Echo Bay Exploration) in the Royalty Lawsuit. Immediately after being served, the Echo Bay Entities filed a Demand for Change of Venue as of Right and simultaneously moved for a Change of Venue. In May 2004, the District Court denied the motion without explanation, although, as of that date, none of the defendants that had appeared resided in Clark County. The Echo Bay Entities immediately filed their Notice of Appeal from this venue ruling. The Echo Bay Entities also filed a Demand for Stay of the District Court proceedings pending resolution of that appeal. The District Court granted that motion in part and denied it in part, staying all claims in Hughes' Complaint except for the claim asserting violation of the Nevada Uniform Fraudulent Transfers Act ("NUFTA").

In September 2004, Hughes filed a First Amended Complaint. All Defendants filed a series of motions pursuant to Nevada Rule of Civil Procedure 12 to the remaining NUFTA claim, including a Motion to Dismiss for Lack of Personal Jurisdiction, a Motion for Judgment on the Pleadings and a Motion to Dismiss as a sanction for failure to comply with the District Court's Order to Amend. In January 2005, the District Court entered an Order granting all motions except for the Motion of Judgment on the Pleadings.

On June 10, 2005, the Echo Bay Entities and Kinross filed a Motion for Judgment on the Pleadings and to Dismiss, based on res judicata, as a final judgment was entered against Summa in the Royalty Lawsuit. In response, Hughes filed a Motion to Stay All Proceedings and later filed an Opposition, arguing that the judgment entered in the Royalty Lawsuit is not a final judgment, and that until the judgment becomes final (by affirmation from the Nevada Supreme Court or otherwise), the NUFTA lawsuit should be stayed. The Echo Bay Entities and Kinross opposed the motion to stay.

All of the pending motions were heard on July 5, 2005 by the District Court. The District Court denied the Echo Bay Entities' and Kinross' Motion for Judgment on the Pleadings and to Dismiss. However, the District Court did agree with the Echo Bay Entities that all of Hughes' common law claims were not ripe for adjudication and dismissed those claims. The District Court declined to dismiss the NUFTA claim and instead entered an Order staying that the claim pending the outcome of the Royalty Lawsuit appeal.

After this extensive motion practice, all claims from Hughes' Complaint have been dismissed, except for the NUFTA claim, which is stayed pending the outcome of the appeal on the Royalty Lawsuit. The only defendants remaining are the Echo Bay Entities, Kinross, Newmont and five of the individual defendants (who did not join in the motion to dismiss for lack of personal jurisdiction.) Howard Hughes' motion to stay the venue appeal remains pending and Hughes filed its Respondent's Answering Brief in March, 2006. The Company cannot reasonably predict the outcome of these actions and intends to continue to vigorously defend against the claims.

Income Taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays annual income taxes under the various regimes in countries in which it operates. These tax regimes are determined under general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company will undergo a review of its historic tax returns and in connection with such reviews, disputes can arise with the taxing authorities over the Company's interpretation of the country's income tax rules. As at December 31, 2005 the Company had the following disputes.

Brazil

Mineracao Serra Grande S.A. ("MSG"), the Company's 50% joint venture with AngloGold Ashanti, which owns the Crixás mine received a tax reassessment in November 2003 from the Brazilian IRS. The reassessment disallowed the claiming of certain sales tax credits and assessed interest and penalties of which the Company's 50% share totals $10.2 million. The Company and its joint venture partner believe that this reassessment will be resolved without any material adverse affect on its financial position, results of operations or cash flows.

In September 2005, MSG received assessments relating to payments of sales taxes on exported gold deliveries from tax inspectors for the State of Goias. The Company's share of the assessments is approximately $29 million. The counsel for MSG believes the suit is in violation of Federal legislation on sales taxes and that there is a remote chance of success for the State of Goias. The assessment has been appealed.

Regulatory Investigations

In July 2005, Kinross was notified by the enforcement division of the SEC that Kinross would be requested to provide documentation in connection with an informal inquiry focused on Kinross' accounting of the business combination with TVX and Echo Bay. No further request has been made by the SEC to date.

The U.S. Department of Justice has notified Echo Bay that it is investigating whether or not payments were made to organizations in the Philippines in violation of U.S. Laws in connection with its mining operations in the Philippines in the 1990's. Former officers of Echo Bay (which has been amalgamated to Kinross) have provided testimonies with respect to this investigation.

DESCRIPTION OF CAPITAL STRUCTURE

KINROSS PREFERRED SHARES

As of March 31, 2006 there is no Kinross preferred share outstanding. A summary of the terms of the Kinross preferred shares is set forth below.

Dividends

Holders of Kinross preferred shares are entitled to receive fixed cumulative preferential cash dividends as and when declared by the board of directors of Kinross at an annual rate of Cdn. $0.80 per share payable in equal quarterly installments on the first day of January, April, July, and October in each year.

Conversion

Holders of Kinross preferred shares are entitled at any time to convert all or any part of the Kinross preferred shares into Kinross common shares on the basis of 2.7518 Kinross common shares for each Kinross preferred share so converted, subject to usual anti-dilution adjustments.

Redemption; Put Right

Kinross may at any time redeem all or any part of the Kinross preferred shares at a price of Cdn. $10 per share, together with an amount equal to all dividends accrued and unpaid thereon, whether or not declared, to and including the date of redemption (collectively the "Redemption Price"). The holders of Kinross preferred shares are entitled to require Kinross to redeem all or any part of their Kinross preferred shares at any time at a price equal to the Redemption Price.

Other Payments

So long as any Kinross preferred shares are outstanding, Kinross is not permitted, without the approval of the holders of the Kinross preferred shares, to declare or pay dividends on, or redeem, purchase for cancellation or otherwise retire shares of Kinross ranking junior to the Kinross preferred shares unless all dividends on the Kinross preferred shares have been paid and, after giving effect to such payment, Kinross would still be in a legal position to redeem all of the Kinross preferred shares then outstanding prior to any payment being made to any security ranking junior to the Kinross preferred shares.

Voting Rights

The holders of Kinross preferred shares are not entitled (except as required by law) to receive notice of or to attend or vote at any meeting of shareholders of Kinross.

Liquidation Preference

In the event of the liquidation, dissolution, or winding-up of Kinross, holders of Kinross preferred shares will have preference over holders of Kinross common shares and will be entitled to receive an amount equal to the Redemption Price for each Kinross preferred share held by them.

KINAM CONVERTIBLE PREFERRED SHARES

The convertible preferred shares of Kinam Gold Inc. comprise 1,835,777 shares of $3.75 Series B convertible preferred stock. A summary of the terms and provisions of the Kinam preferred shares ("Kinam Preferred Shares") is set forth below. A subsidiary of Kinross, Kinross Gold U.S.A., Inc., holds 1,630,914 of the issued and outstanding Kinam Preferred Shares, representing approximately 88.8% of the outstanding number of such shares.

Dividends

Annual cumulative dividends of $3.75 per Kinam preferred share are payable quarterly on each February 15, May 15, August 15, and November 15, as and if declared by Kinam's board of directors. Due to low gold prices and reduced cash flow from Kinam operations, dividend payments on these shares were suspended in August 2000 and continue to remain suspended.

Conversion

The Kinam Preferred Shares are convertible into Kinross common shares at a conversion price of $30.92 per share (equivalent to a conversion rate of 1.6171 Kinross common shares for each preferred share), subject to adjustment in certain events.

Redemption

The Kinam Preferred Shares are redeemable at the option of Kinross at any time on or after August 15, 1997, in whole or in part, for cash initially at a redemption price of $52.625 per share declining rateably annually to $50.00 per share on or after August 15, 2004, plus accrued and unpaid dividends.

Voting Rights

The holders of Kinam Preferred Shares are not entitled to receive notice of or to attend or vote at any meeting of shareholders of Kinross. The holders of Kinam Preferred Shares are entitled to one vote per share at meetings of the shareholders of Kinam Gold Inc.

WARRANTS

As a result of the unit offering of Kinross, which closed on December 5, 2002, 25,000,000 common share purchase warrants of Kinross are outstanding.

Each three common share purchase warrants are exercisable on or before 5:00 p.m. (eastern standard time) on December 5, 2007, for one Kinross common share at an exercise price of Cdn. $15.00. The exercise price and the number of Kinross common shares issuable upon exercise are both subject to adjustment as provided for in the indenture governing the warrants. The warrants will expire and become null and void after 5:00 p.m. (eastern standard time) on December 2, 2007.

KINROSS COMMON SHARES

Kinross has an unlimited number of common shares authorized and 346,492,393 common shares issued and outstanding as of March 31, 2006. There are no limitations contained in the articles or bylaws of Kinross on the ability of a person who is not a Canadian resident to hold Kinross common shares or exercise the voting rights associated with Kinross common shares. A summary of the rights of the Kinross common shares is set forth below.

Dividends

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

Liquidation

In the event of the dissolution, liquidation, or winding up of Kinross, holders of Kinross common shares are entitled to share rateably in any assets remaining after the satisfaction in full of the prior rights of creditors, including holders of Kinross' indebtedness, and the payment of the aggregate liquidation preference of the Kinross preferred shares, and any other preferred shares then outstanding.

Voting

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

MARKET PRICE FOR KINROSS COMMON SHARES

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

	Kinross Common Shares on the TSX			Kinross Common Shares on the NYSE		
	High	Low	Trading Volume	High	Low	Trading Volume
	(CDN Dollars)	(CDN Dollars)		(U.S. Dollars)	(U.S. Dollars)	
Fiscal Year Ending December 31, 2004						
January	10.99	9.03	57,385,900	8.56	6.86	55,859,200
February	10.10	8.91	42,183,000	7.65	6.64	39,688,700
March	9.77	8.54	48,792,800	7.42	6.40	44,224,100
April	9.85	7.40	51,171,000	7.53	5.40	41,450,800
May	8.50	6.66	49,651,100	6.22	4.79	30,003,600
June	8.50	7.16	38,125,400	6.23	5.21	21,074,800
July	8.10	6.77	29,195,200	6.14	5.06	19,353,400
August	8.09	6.67	54,869,700	6.91	5.03	24,343,000
September	8.66	7.37	35,481,600	6.87	5.70	26,094,600
October	9.35	8.07	47,910,100	7.62	6.33	39,653,400
November	10.05	8.32	70,015,600	8.41	6.76	46,110,700
December	9.51	8.23	41,606,140	8.04	6.75	31,392,900
Fiscal Year Ending December 31, 2005						
January	8.72	7.98	28,677,900	7.14	6.52	20,517,400
February	8.40	7.53	47,852,800	6.80	6.09	27,502,100
March	8.87	7.12	45,673,700	7.33	5.87	28,040,700
April	7.57	6.32	48,778,600	6.20	5.08	19,344,400
May	7.02	6.17	29,615,200	5.61	4.61	19,890,800
June	7.56	6.53	40,859,600	6.17	5.23	20,328,500
July	7.79	6.76	33,172,900	6.45	5.52	16,904,600
August	8.15	6.80	33,420,700	6.83	5.59	23,316,700
September	9.39	7.63	87,511,696	8.05	6.45	33,908,900
October	9.05	7.63	49,481,300	7.80	6.49	28,512,200
November	9.50	7.92	73,365,600	8.10	6.67	33,397,600
December	11.00	8.82	70,925,400	9.42	7.61	39,945,900

As of January 31, 2006, there were 4,599 holders of record of Kinross common shares (including holders who are nominees for an undetermined number of beneficial owners).

DIRECTORS AND OFFICERS

DIRECTORS

Set forth below is information regarding the directors of Kinross as of March 20, 2006.

Name and Place of Residence	Principal Occupation	Director Since	Current Committees[1]
John A. Brough Vero Beach, Florida United States	President, Torwest Inc. (real estate development company)	January 19, 1994	A, C, N
Tye W. Burt Toronto, Ontario Canada	President and Chief Executive Officer of Kinross	March 23, 2005	None

Name and Place of Residence	Principal Occupation	Director Since	Current Committees[1]
Scott A. Caldwell Reno, Nevada United States	Executive Vice President and Chief Operating Officer of Kinross	March 3, 2003	None
John K. Carrington Thornhill, Ontario Canada	Retired Mining Executive	October 26, 2005	CG,E
Richard S. Hallisey Toronto, Ontario Canada	President of Sullivan Holdings Limited	December 5, 2003	CG,E
John M. H. Huxley Toronto, Ontario Canada	Principal, Algonquin Management Inc. (management company)	May 31, 1993	A, C, N
John A. Keyes The Woodlands, Texas United States	Retired Mining Executive	March 3, 2003	E
Catherine McLeod-Seltzer Vancouver, British Columbia Canada	President and Director, Pacific Rim Mining Corp.	October 26, 2005	C, N
George A. Michals Orangeville, Ontario Canada	President, Baymont Capital Resources Inc. (investment holding company)	January 31, 2003	CG
John E. Oliver Halifax, Nova Scotia Canada	Senior Vice President, Atlantic Region, Bank of Nova Scotia (financial institution)	March 7, 1995	C, N
Terence C.W. Reid Toronto, Ontario Canada	Retired Executive	January 5, 2005	A, E

(1) Committees: A-Audit, C-Compensation, CG-Corporate Governance, E-Environmental, Health & Safety, N-Nominating.

Each of the directors has held the principal occupation set forth opposite his or her name, or other executive offices with the same firm or its affiliates, for the past five years, with the exception of Messrs. Tye W. Burt, John K. Carrington, Richard S. Hallisey, John A. Keyes and Terence C.W. Reid.

Prior to March 23, 2005, Mr. Burt was Vice Chairman and Executive Director, Corporate Development of Barrick Gold Corporation since February 2004. Prior to that he was Executive Director, Corporate Development of Barrick since December 2002. From April 2000 to December 2002, he was a Principal of Harris Partners Limited (investment banking) and President of Cartesian Capital Corp. (investment banking).

Prior to January 2005, Mr. Carrington was Vice Chairman and a director and prior to February 2004, he was Chief Operating Officer of Barrick Gold Corporation.

Prior to December 2001, Mr. Hallisey was Vice Chairman, National Bank Limited and, prior to January 1999, he was Vice Chairman, First Marathon Securities Limited. Mr. Keyes, prior to January 2001, was President and Chief Operating Officer of Battle Mountain Gold Company and prior thereto was Senior Vice President of Battle Mountain Gold Company. Mr. Terence C.W. Reid was president of Laketon Investment Management between 2001 and 2003.

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

John A. Brough

Mr. Brough has been President of Torwest Inc., a real estate development company, since 1998. Prior to 1998, Mr. Brough held the position of Executive Vice President and Chief Financial Officer of iStar Internet Inc. Prior to 1997, Mr. Brough was Senior Vice President and Chief Financial Officer of Markborough Properties Limited. He holds a Bachelor of Arts degree and is a Chartered Accountant.

Tye W. Burt

Mr. Burt was appointed President and Chief Executive Officer of Kinross in March, 2005. Prior to that Mr. Burt held the position of Vice Chairman and Executive Director of Corporate Development of Barrick Gold Corporation. From December 2002 to February 2004, he was Executive Director of Corporate Development of Barrick Gold Corporation. From May 2002 — December 2002 he was Principal, Harris Partners Limited (investment banking) (but consulting on a full time basis to Barrick Gold). From May 2000 — May 2002, Mr. Burt was President, Cartesian Capital Corp. Mr. Burt is also a director and the Vice Chairman of the Audit Committee of the Ontario Financing Authority and a director of NRX Global Corporation. Mr. Burt is a member of the Law Society of Upper Canada and is a graduate of Osgoode Law School and holds a Bachelor of Arts degree from the University of Guelph.

Scott A. Caldwell

Mr. Caldwell is currently Executive Vice President and Chief Operating Officer of Kinross. Since Mr. Caldwell joined in 1998, he has held various senior management positions with Kinross. Prior to joining Kinross, he was Vice President of Operations for Echo Bay from 1996 to 1998 and Vice President Operations of Compañia Minera Dona Ines de Callahusi from 1995 to 1996 and also occupied other functions with other mining companies. Mr. Caldwell has a Bachelor of Science degree in engineering.

John K. Carrington

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

Richard S. Hallisey

Mr. Hallisey is President and a director of Sullivan Holdings Limited, a position he has held full time since December, 2001. From January 1999 to December 2001, Mr. Hallisey was Vice-Chairman and Managing Director of National Bank Financial. Prior to his position with National Bank Financial, Mr. Hallisey was Co-founder, Vice-Chairman and a director of First Marathon Securities Limited. Mr. Hallisey holds a Bachelor of Applied Science (Civil-Geological Engineering) from the University of British Columbia and a Masters in Business Administration from the University of Western Ontario.

John M. H. Huxley

Mr. Huxley has been a principal of Algonquin Management Inc., the manager of the Algonquin Power Income Fund, since 1997. Prior to that he was President of Algonquin Power Corporation, a builder, developer and operator of hydroelectric generating facilities in Canada and the United States. He holds a Bachelor of Laws degree.

John A. Keyes

Mr. Keyes most recently held the position of President and Chief Operating Officer of Battle Mountain Gold Company until 2001. Prior to that position, Mr. Keyes served as the Senior Vice President, Operations, for Battle Mountain Gold Company with responsibility for operations in the United States, Canada, Bolivia, Chile, and Australia. Mr. Keyes has a Bachelor of Science degree (honors) and has completed an executive MBA course.

Catherine McLeod-Seltzer

Ms. McLeod-Seltzer is Chairman, Chief-Executive Officer and a director of Pacific Rim Mining Corp. She has been an officer and a director of Pacific Rim since 1997. From 1994 to 1996, she was President, Chief Executive Officer and a director of Arequipa Resources Ltd., a publicly traded company which she co-founded in 1992. From 1985 to 1993, she was employed by Yorkton Securities Inc. as an institutional trader and broker, and also as Operations Manager in Santiago, Chile (1991-92). She has a Bachelor in Business Administration. She holds directorships in other publicly traded companies including Silver Standard Resources Inc., Bear Creek Mining Corporation, Miramar Mining Corp., Stornoway Diamond Corporation and Peru Copper Inc.

George F. Michals

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

John E. Oliver

Mr. Oliver was appointed Senior Vice President, Atlantic Region, Bank of Nova Scotia in March 2004. Prior to that, Mr. Oliver was Executive Managing Director and Co-Head of Scotia Capital U.S., Bank of Nova Scotia from October 1999. From 1997 to 1999 Mr. Oliver was Senior Vice President, Corporate and Real Estate Banking of Bank of Nova Scotia and prior thereto, he was Senior Vice President of Real Estate Banking of Bank of Nova Scotia. Mr. Oliver was appointed the Independent Chairman of Kinross in August 2002.

Terence C.W. Reid

Mr. Reid retired as Vice Chairman of CIBC Wood Gundy in 1997 after a career there spanning thirty-one (31) years during which he provided investment banking services to many of Canada's leading corporations. He subsequently acted as a consultant in the electricity industry and helped develop an internet start-up business. Between 2001 and 2003 he was president of Laketon Investment Management, a leading Canadian investment asset manager. Mr. Reid has served on a number of investment industry committees and was Chairman of the Montreal Stock Exchange. He holds a diploma in law from the University of Witwatersrand, Johannesburg and an MBA from the University of Toronto.

OFFICERS

The following table sets forth the names of each of the officers of Kinross and all offices of Kinross held by each of them as of March 20, 2006.

Name	Office Held
HUGH A. AGRO Toronto, Ontario, Canada	Sr. Vice President, Corporate Development
RICK A. BAKER Sparks, Nevada, United States	Sr. Vice President, Environmental, Health & Safety
TYE W. BURT Toronto, Ontario, Canada	President and Chief Executive Officer
SCOTT A. CALDWELL Reno, Nevada, United States	Executive Vice President and Chief Operating Officer
MANOEL CERQUEIRA Rio de Janeiro, Brazil	Vice President, Brazil
WESLEY C. HANSON Ancaster, Ontario, Canada	Vice President, Technical Services
J. MICHAEL DOYLE Sparks, Nevada, United States	Sr. Vice President, Operations
STEPHANIE HOLTFORSTER Mississauga, Ontario, Canada	Sr. Vice President, Human Resources
CHRISTOPHER T. HILL Toronto, Ontario, Canada	Sr. Vice President and Treasurer
JOHN W. IVANY Toronto, Ontario, Canada	Executive Vice President
LARS-ERIC JOHANSSON Oakville, Ontario, Canada	Executive Vice President and Chief Financial Officer
HAL KIRBY Toronto, Ontario, Canada	Vice President and Corporate Controller
JOHN E. OLIVER Halifax, Nova Scotia, Canada	Independent Chairman
SHELLEY M. RILEY Toronto, Ontario, Canada	Vice President, Administration and Corporate Secretary
RONALD W. STEWART Oakville, Ontario, Canada	Sr. Vice President, Exploration

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

Hugh A. Agro was appointed Sr. Vice President, Corporate Development on August 5, 2005. Prior to that he was Vice President, Corporate Development from April 2005 to August 2005. Prior to that Mr. Agro held the position of Vice President, Corporate Development for Placer Dome Canada from May 2004 to April 2005. Prior to that Mr. Agro was a Principal of Senator Capital Partners from April, 2001 to April, 2004. From August 1997 to April, 2001, Mr. Agro held the positions of Vice President, Investment Banking, Global Metals & Mining Group and Associate, Investment Banking respectively with Deutsche Bank Securities Ltd.

Rick A. Baker was appointed Sr. Vice President, Environmental, Health & Safety on March 1, 2005. Prior to that Mr. Baker held the positions of Vice President, Operations from October, 2003 to February, 2005 and Vice President and General Manager, Reclamation Operations from March to September, 2003 of Kinross Gold U.S.A., Inc. a 100% wholly-owned subsidiary of Kinross. Prior to that he held the positions of General Manager, from August, 2001 to February, 2002 and Operations Manager from April, 2000 to July 2001 with Fairbanks Gold Mining, Inc. a 100% wholly-owned subsidiary of Kinross. From July 1997 to March 2000, Mr. Baker was General Manager, McCoy/Cove Operation, Echo Bay Minerals Company.

Manoel Cerqueira was appointed Vice President, Brazil in January 2006. Prior to that, since being hired as Finance Manger of TVX Normandy Americas (Canada) Inc. and TVX Normandy Americas (Cayman) Inc. in September 1999, he has held positions as board member and officer of joint venture operators, Mineração Serra Grande S.A. (Crixás mine) and Rio Paracatu Mineração, S.A. (Paracatu mine). He also held the position of Vice President Finance of various Kinross/TVX subsidiaries, TVX Nornandy Americas (Canada) Inc., TVX Normandy Americas (Cayman) Inc., Kinross Americas (Canada) Inc. and Kinross Americas (Cayman) Inc.

J. Michael Doyle was appointed Sr. Vice President, Operations in June, 2004. Prior to that, Mr. Doyle was Vice President, Operations of Kinross Gold U.S.A., Inc. from March, 2003 to May, 2004, a 100% wholly-owned subsidiary of Kinross. From January 2003 to March 2003, Mr. Doyle was Vice President and General Manager, Round Mountain Gold Corporation, a 100% wholly-owned subsidiary of Kinross. From 2000 to 2003, Mr. Doyle was General Manager, Round Mountain Gold Corporation and prior to that he held the position of Operations Manager, Round Mountain Gold Corporation.

Wesley C. Hanson was appointed Vice President, Technical Services in February 2006. Prior to that Mr. Hanson was Kinross' Director of Technical Services from April 2003 to February 2006. Between November 2002 and April 2003, Mr. Hanson's position was Manager, Technical Services. Between July 1998 and November 2002, he held the position of Senior Geologist with SNC Lavalin Engineers and Constructors Inc.

Stephanie Holtforster was appointed Sr. Vice President, Human Resources in September 2005. Prior to that Ms. Holtforster was Vice President of Human Resources at the Globe & Mail. From 1998 to April 2002, she occupied positions of Director of Six Sigma programs and as a Regional Director of Human Resources Canada for Starwood Hotels & Resorts. Prior to that she was Director of Human Resources — Canada for Westin Hotels and Resorts from 1996 to 1998 and Director of Human Resources at the Westin Harbour Castle.

Christopher T. Hill is currently Sr. Vice President and Treasurer and prior to March 2006 he was Sr. Vice President, Corporate Communication since August 2005 and prior to that he was Vice President, Investor Relations since May 2004. Mr. Hill was Vice President, Treasurer from May 1998 to March 2004.

John W. Ivany has been Executive Vice President of Kinross since July 1995.

Lars-Eric Johansson has been Executive Vice President and Chief Financial Officer of Kinross since June, 2004. Prior to that Mr. Johansson was Special Advisor on project financing to Falconbridge Limited's (a subsidiary of Noranda Inc.) Koniambo nickel project in New Caledonia from November 2003 to June, 2004. Mr. Johansson was Executive Vice President and Chief Financial Officer of Noranda Inc. from May 2002 to November 2003. He was Senior Vice President and Chief Financial Officer for Falconbridge from September 1989 to May 2002; and a director of Aber Diamond Corporation and Tiberon Minerals Ltd.

Hal Kirby was appointed Vice President and Corporate Controller in June 2005. Prior to that Hal was Director of Special Projects from November 2004 to June 2005. Prior to that he was General Director of Omolon Gold Mining Company, a subsidiary of Kinross Gold Corporation, from November 2002 to May 2004 and prior to that he was Deputy General Director, Finance and Administration of Omolon Gold Mining Company from September 1998 to November 2002.

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

Ronald W. Stewart has been the Sr. Vice President, Exploration of Kinross since August 2005 and prior to that he was Vice President, Exploration since March 2002. Prior to that date he was Director of Investor Relations for Placer Dome from January 2000 to March 2002, Manager Mine Exploration for Placer Dome from February 1998 to January 2000 and Country Exploration Manager, Indonesia for Placer Dome from March 1996 to February 1998.

As at March 20, 2006, the directors and executive officers of Kinross, as a group owned, directly or indirectly, or exercised control or direction over 211,849 common shares of Kinross, representing less than one percent of the total number of common shares outstanding before giving effect to the exercise of options or other convertible securities held by such directors and executive officers. The statement as to the number of common shares beneficially owned directly or indirectly or over which control or direction is exercised by the directors and executive officers of Kinross as a group is based upon information provided by the directors and executive officers.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

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

John W. Ivany, the Executive Vice President of Kinross, was the subject of enforcement proceedings by the Alberta Securities Commission *In Re Cartaway Resources Corp.* In its order dated February 22, 2001, the Alberta Securities Commission found that Mr. Ivany, as Chief Executive Officer of Cartaway Resources Corp., had allowed the issuance of a press release that contained a material factual error in violation of the securities laws of the Province of Alberta. As a result, Mr. Ivany was prohibited from acting as a director or officer of any "junior issuer" for a period of five years and ordered to pay costs in the amount of Cdn. $20,000. Kinross is not a junior issuer under the applicable Alberta Securities Commission provisions.

On April 14, 2005, the Ontario Securities Commission issued a definitive management cease trade order which superseded a temporary management cease trade order dated April 1, 2005 against all the directors and officers of the Company in connection with the Company's failure to file its audited financial statements for the year ended December 31, 2004. A similar order was issued by the Nova Scotia Securities Commission against Mr. John Oliver dated July 6, 2005. These management cease trade orders have been lifted on February 22, 2006.

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

CONFLICT OF INTEREST

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

The directors and officers of Kinross are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and Kinross will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (Ontario) and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

During 2004, the Company entered into a shareholders agreement providing for the organization of Kinross Forrest Ltd. ("KF Ltd.") and the issuance of 35% of the shares of KF Ltd. to the Company, 25% to a company controlled by Art Ditto, then a director and officer of the Company, and 40% to an unrelated third party. Mr. Ditto paid the Company his share of the expenses incurred in the amount of $0.3 million. As at December 31, 2004, this investment was valued at $0.1 million on the Company's balance sheet.

KF Ltd. is a corporation incorporated under the laws of the Territory of the British Virgin Islands and is a party to a joint venture with La Générale des Carrières et des Mines, a Congolese state-owned mining enterprise. The joint venture was formed for the purpose of exploiting the Kamoto Copper Mine located in the Democratic Republic of Congo.

On September 2, 2005, the Company agreed to sell 23.33% of the shares of KF Ltd. to Balloch Resources Ltd., (now Katanga Mining Limited, "Katanga") retaining 11.67% of the shares for Cdn.$5.45 million. The parties also agreed in 2005 to provide Katanga with an option to purchase Kinross' 11.67% remaining interest. At the time of entering into the agreement, Mr. Robert Buchan, a former director and officer of the Company, held an 8.5% interest in the outstanding common shares of Katanga. Art Ditto, who is a former director and officer of the Company, owned a 17.1% interest in the outstanding common shares of Katanga and Mr. Ditto was appointed as the President and Chief Executive Officer of Katanga. For more information, refer to Kinross' MD&A and note 22 of its audited annual financial statements.

John E. Oliver is Senior Vice President, Atlantic Region, of the Bank of Nova Scotia. The Bank of Nova Scotia is a co-lead of the lending syndicate for Kinross' credit facility. The Bank of Nova Scotia's commitment to the credit facility is approximately $60 million. Mr. Oliver's duties do not include responsibilities in the commercial lending department responsible for management and decisions with respect to the Kinross credit facility. The board of Kinross does not consider this relationship to present a conflict of interest with Mr. Oliver's responsibilities as a board member or in any way as reasonably affecting his independence.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this annual information form, the notes to the Company's financial statements and its MD&A, since January 1, 2003, no director, executive officer or 10% shareholder of Kinross or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal office at 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, telephone 1-800-663-9097.

MATERIAL CONTRACTS

The only material contracts entered into by the Company within the financial year ended December 31, 2005 or before such time that are still in effect, other than in the ordinary course of business, are as follows:

Acquisition and agreement and plan of merger agreement between Kinross, Crown Merger Corporation and Crown dated November 20, 2003 (and subsequent amendments) providing for the acquisition by Kinross of all the outstanding common shares of Crown.

Amended and restated credit facility dated April 8, 2005 between Kinross and a syndicate of lenders co-lead by the Bank of Nova Scotia and Société Générale.

INTERESTS OF EXPERTS

The Company's independent auditors for fiscal 2005, KPMG LLP, have audited the consolidated financial statements of Kinross for the year ended December 31, 2005.

Rodney Cooper is the qualified person who supervised the preparation of the Company's mineral reserve and mineral resource estimates as at December 31, 2005. Mr. Cooper was at the time an officer of the Company. Wesley Hanson is the qualified person who authored the technical report for the Paracatu property filed concurrently with this Annual Information Form. Mr. Hanson is an officer of Kinross.

Messrs. Cooper and Hanson beneficially owned, directly or indirectly, less than 1% of any class of shares of the Company's outstanding shares at the time of the preparation of the reserve and resource estimates and of the Paracatu and Round Mountain technical reports.

AUDIT COMMITTEE

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

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

Relevant Education and Experience

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

John A. Brough	—	Mr. Brough has a Bachelor of Arts degree from the University of Toronto, is a Chartered Accountant and is currently Chairman of the Audit Committee and a director of PBB Global Logistics Income Fund and Silver Wheaton Corp.
John M.H. Huxley	—	Mr. Huxley has a Bachelor of Laws degree, and has been a principal of Algonquin Management Inc., the Manager of Algonquin Power Income Fund, since 1997. Prior to that Mr. Huxley was President of Algonquin Power Corporation.
Terence C.W. Reid	—	Mr. Reid holds a diploma in law from the University of Witwatersrand, Johannesburg and an MBA from the University of Toronto. Mr. Reid retired as Vice Chairman of CIBC Wood Gundy in 1997 after a career there spanning thirty-one (31) years during which he provided investment banking services to many of Canada's leading corporations. Between 2001 and 2003 he was president of Laketon Investment Management, a leading Canadian investment asset manager. Mr. Reid has served on a number of investment industry committees and was Chairman of the Montreal Stock Exchange.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

Audit Fees

The audit fees billed by the Company's external auditors for the financial year ended December 31, 2005 were Cdn.$1,187,295 by its former auditors and Cdn.$1,500,000 by its current auditors (December 31, 2004 — Cdn.$2,918,705).

Audit-Related Fees

The audit-related fees billed by the Company's external auditors for the financial year ended December 31, 2005 were Cdn.$1,306,395 by its former auditors and nil by its current auditors (December 31, 2004 — Cdn.$1,410,605) relating to work on the registration statement for the Crown acquisition and the SEC review in connection therewith.

Tax Fees

The tax fees in respect of tax compliance, tax advice and tax planning billed by the Company's external auditors for the financial year ended December 31, 2005 were nil (December 31, 2004 — Cdn.$1,017,843).

All Other Fees

Cdn.$701,000 was paid to the Company's former auditors and Cdn.$68,000 was paid to its current auditors in 2005 under this caption. There were no non-audit fees billed by the Company's external auditors for the financial year ended December 31, 2004.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at *www.sedar.com*. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Company filed for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2005.

GLOSSARY OF TECHNICAL TERMS

AA finish

A method used to complete fire assaying where the bead produced by this assay technique is dissolved in strong acids. The gold in the acid solution is determined by a machine called an atomic adsorption spectrometer. This method is used to accurately quantify small amounts of gold and other metals.

adularia

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

alluvial

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

alluvium

A general term for all detrital deposits resulting from the flow of present waterways, thus including the sediments laid down in streambeds, flood plain, lakes, fan at the foot of mountain slopes, and estuaries.

almandine

An isometric mineral, 8[Fe32+A12Si3O12]; pyralspilite subgroup of the garnet group, with Fe replaced by Mg, Mn, and Ca; in red to brownish-black dodecahedral and trapezohedral crystals, or massive; Mohs hardness, $7^{1}/_{2}$; occurs in medium-grade metamorphic rock and felsic igneous rocks; used as a gemstone and an abrasive.

ankerite

A trigonal mineral, Ca(Fe,Mg,Mn)(CO3)2; dolomite group; forms series with dolomite and with kutnohorite; associated with iron ores; commonly forms thin veins in some coal seams.

Archean Abitibi

The Abitibi-Grenville Transect focuses on the Late Archean Abitibi greenstone belt, which is part of the southern Superior Province, the central core of the North American craton, and on the Mesoproterozoic Grenville orogen which extends from southern Sweden to southern Mexico, but is exposed principally as the southeastern Canadian shield. The Abitibi subprovince is the largest, and perhaps the best studied, of the Archean greenstone terranes of the world and is host to a major proportion of Canada's mineral resources.

argillite

A compact rock, derived either from mudstone (claystone or siltstone), or shale, that has undergone a somewhat higher degree of induration than mudstone or shale but is less clearly laminated and without its fissility, and that lacks the cleavage distinctive of slate.

arsenopyrite

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

assay

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

B2 horizon

A local geological term identifying a particular formation of rock.

ball mill

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

basalt

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

basement rocks

A name commonly applied to metamorphic or igneous rocks underlying the sedimentary sequence.

belt

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

biotite

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

block faulted

A type of normal faulting in which the crust is divided into structural or fault blocks of different elevations and orientations. It is the process by which block mountains are formed.

boudins

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

breccia

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

caldera

A large, basin-shaped volcanic depression, more or less circular, the diameter of which is many times greater than that of the included vent or vents, no matter what the steepness of the walls or the form of the floor may be.

calomel

A tetragonal mineral, 2[Hg2C12]; a secondary alteration of mercury-bearing minerals; horn quicksilver; mercurial horn ore.

carbon-in-leach

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

carbon-in-pulp

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

care and maintenance

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

cathode

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

cerargyrite

A former name for chlorargyrite, which is an isometric mineral, 4[AgCl]; sectile; forms waxy white, yellow, or pearl-gray incrustations, darkening to violet on exposure to light; a supergene mineral occurring in silver veins; an important source of silver.

chalcopyrite

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

chert

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

chip sample

A method of sampling of rock exposure whereby a regular series of small chips of rock is broken off along a line across the face.

chlorite

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

circuit

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

clay

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

conglomerate

Rounded, water-worn fragments of rock or pebbles, cemented together by another mineral substance.

core

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

cupel

1. A small bone-ash cup used in gold or silver assaying with lead. 2. The hearth of a small furnace used in refining metals.

cut-off grade

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

cyanidation

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

cyclone underflow

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

dedicated pad

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

Devonian

The fourth period, in order of decreasing age, of the periods making up the Paleozoic era. It followed the Silurian period and was succeeded by the Mississippian period. Also, the system of strata deposited at that time. Sometimes called the Age of Fishes.

dilution

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

dolomite

A carbonate sedimentary rock consisting of more than 50% to 90% mineral dolomite, depending upon classifier, or having a Ca:Mg ratio in the range 1.5 to 1.7, or having an MgO equivalent of 19.5% to 21.6%, or having a magnesium-carbonate equivalent of 41.0% to 45.4%. Dolomite beds are associated and interbedded with limestone, commonly representing postdepositional replacement of limestone.

doré

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

electrowinning

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

epithermal

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

facies

A term of wide application, referring to such aspects of rock units as rock type, mode of origin, composition, fossil content, or environment of deposition.

fault

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

feldspar

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

felsic

A mnemonic adjective derived from (fe) for feldspar, (l) for lenad or feldspathoid, and (s) for silica, and applied to light-colored rocks containing an abundance of one or all of these constituents. Also applied to the minerals themselves, the chief felsic minerals being quartz, feldspar, feldspathoid, and muscovite.

flocculent

A chemical used to promote the formation of denser slurries.

flotation

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

fold

Any bending or wrinkling of rock strata.

formation

Unit of sedimentary rock of characteristic composition or genesis.

galena

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

garnet

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

geyserites

A type of rock associated with natural hot springs.

glacial till

Dominantly unsorted and unstratified drift, generally unconsolidated, deposited directly by and underneath a glacier without subsequent reworking by meltwater, and consisting of a heterogeneous mixture of clay, silt, sand, gravel, and boulders ranging widely in size and shape; ice-laid drift.

glaciolacustrine

Pertaining to, derived from, or deposited in glacial lakes; especially said of the deposits and landforms composed of suspended material brought by meltwater streams flowing into lakes bordering the glacier, such as deltas, kame deltas, and varved sediments.

gold

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

gold equivalent production

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

grade

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

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

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

gravimetric finish

A method used to complete fire assaying where the bead produced by this assay technique is weighed upon an extremely sensitive weigh scale.

gravity recovery circuit

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

greenschist

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

greenschist facies

Metamorphic rocks produced under low temperature conditions.

greenstone

An old field term applied to altered basic igneous rocks which owe their color to the presence of chlorite, hornblende, and epidote.

halide

A fluoride, chloride, bromide, or iodide.

halos

A differentiated (lower) grade zone surrounding a central zone of higher grade.

heap leaching

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

hedging

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

high-grade

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

high rate thickener

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

HQ

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

intrusive

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

intracaldera Oligocene ash-flow tuffs

A geological term referring to a rock formation comprising ash-flow tuffs existing inside a caldera. A caldera is a crater formed from by the collapse of the central part of a volcano. This particular formation dates back to the Oligocene epoch.

kaolinite

A monoclinic mineral, 2[A12Si2O5(OH)4]; kaolinite-serpentine group; kaolinite structure consists of a sheet of tetrahedrally bonded silica and a sheet of octahedrally bonded alumina with little tolerance for cation exchange or expansive hydration; polymorphous with dickite, halloysite, and nacrite; soft; white; formed by hydrothermal alteration or weathering of aluminosilicates, esp. feldspars and feldspathoids; formerly called kaolin.

leach

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

lense

Pyrite, round or oval in plan and lenticular in section, ranging up to 2 to 3 feet (0.6 to 0.9 meters) in thickness and several hundred feet in the greatest lateral dimension, that is found in coalbeds.

lenticular

Resembling in shape the cross section of a lens. The term may be applied, e.g., to a body of rock, a sedimentary structure, or a mineral habit.

lode

Vein of metal ore.

low-grade

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

mafic

Igneous rocks composed mostly of dark, iron — and magnesium-rich minerals.

metamorphism

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

mica

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

micaceous

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

mill

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

mineral claim

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

mineral reserves

The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. An mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

proven mineral reserve: The economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

probable mineral reserve: The economically mineable part of an Indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

mineral resource

A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

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

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

inferred mineral resource: The part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as result of continued exploration.

mineralization

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

Mississippian

Belonging to the geologic time, system of rocks or sedimentary deposits of the fifth period of the Paleozoic Era, characterized by the submergence of extensive land areas under shallow seas.

muck sample

A representative piece of ore that is taken from a muck pile and then assayed to determine the grade of the pile.

muscovite

A monoclinic mineral, Ka12(Si3Al)O10(OH,F)2; mica group; pseudohexagonal; perfect basal cleavage; forms large, transparent, strong, electrically and thermally insulating, stable sheets; a common rock-forming mineral in silicic plutonic rocks, mica schists, gneisses, and commercially in pegmatites; also a hydrothermal and weathering product of feldspar and in detrital sediments. Also spelled muscovite.

net smelter return

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

open pit

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

Oligocene

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

oxidation

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

Paleozoic

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

pegmatites

Igneous rocks of coarse grain found usually as dikes associated with large masses of plutonic rock.

phases

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

phyllite

1. A metamorphic rock, intermediate in grade between slate and mica schist. Minute crystals of sericite and chlorite impart a silky sheen to the surfaces of cleavage (or schistosity). Phyllites commonly exhibit corrugated cleavage surfaces. 2. A general term for minerals with a layered crystal structure. 3. A general term used by some French authors for the scaly minerals, such as micas, chlorites, clays, and vermiculites.

placer

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

porphyry

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

premium

An amount specified as such by the parties to a hedging agreement, which amount is the purchase price of the bullion option and is payable by the buyer to the seller on the premium payment date for value on such date.

pulp metallic

A type of assay method, which is used to handle the coarse gold component of a sample to allow for its accurate determination.

pyrite

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

pyroclastic

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

qualified person

An individual who: (a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project; and (c) is a member in good standing of a professional association as defined by NI 43-101.

quartz

Common rock-forming mineral consisting of silicon and oxygen.

quartzite

1. A granoblastic metamorphic rock consisting mainly of quartz and formed by recrystallization of sandstone or chert by either regional or thermal metamorphism; metaquartzite. 2. A very hard but unmetamorphosed sandstone, consisting chiefly of quartz grains that are so completely cemented with secondary silica that the rock breaks across or through the grains rather than around them; an orthoquartzite. 3. Stone composed of silica grains so firmly cemented by silica that fracture occurs through the grains rather than around them. 4. As used in a general sense by drillers, a very hard, dense sandstone. 5. A granulose metamorphic rock consisting essentially of quartz. 6. Sandstone cemented by silica that has grown in optical continuity around each fragment.

reclamation

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

recovery

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

run-of-mine

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

reusable pad ore

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

sample

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

sanidine

A monoclinic mineral, (K,Na)AlSi3O8; feldspar group; forms a series with albite; prismatic cleavage; colorless; forms phenocrysts in felsic volcanic rocks.

schist

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

sedimentary rocks

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

semi-autogenous (SAG) mill

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

sericite

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

shear zone

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

silica

The chemically resistant dioxide of silicon, SiO2; occurs naturally as five crystalline polymorphs: trigonal and hexagonal quartz, orthorhombic and hexagonal tridymite, tetragonal and isometric cristobalite, monoclinic coesite, and tetragonal stishovite. Also occurs as cryptocrystalline chalcedony, hydrated opal, the glass lechatelierite, skeletal material in diatoms and other living organisms, and fossil skeletal material in diatomite and other siliceous accumulations. Also occurs with other chemical elements in silicate minerals.

silt

Material passing the No. 200 U.S. standard sieve that is nonplastic or very slightly plastic and that exhibits little or no strength when air-dried. Material composes of fine rock components.

skip

1. A guided steel hoppit, usually rectangular, with a capacity up to 50 st (45.4 t), which is used in vertical or inclined shafts for hoisting coal or minerals. It can also be adapted for personnel riding. 2. A large hoisting bucket, constructed of boiler plate that slides between guides in a shaft, the bail usually connecting at or near the bottom of the bucket so that it may be automatically dumped at the surface. 3. An open iron vehicle or car on four wheels, running on rails and used esp. on inclines or in inclined shafts. 4. A truck used in a mine. 5. A small car that conveys the charge to the top of a blast furnace.

slurry

Fine rock particles are suspended in a stream of water.

sphalerite

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

stibnite

A mineral composed of antimony and sulphur often associated with other sulphides.

stock

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

stockpile

Broken ore heaped on surface, pending treatment or shipment.

stockwork

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

sympathetic faulting

A minor fault that has the same orientation as the major fault or some such structure with which it is associated.

syncline

A fold in rocks in which the strata dip inward from both sides toward the axis.

tailings

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

tennantite

An isometric mineral, (Cu,Fe)12As4S13; tetrahedrite group; forms a series with tetrahedrite; may contain zinc,

silver, or cobalt replacing copper; in veins; an important source of copper.

terrane

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

tetrahedrite

1. An isometric mineral, (Cu,Fe)12Sb4S13, having copper replaced by zinc, lead, mercury, cobalt, nickel, or silver; forms a series with tennantite and freibergite; metallic; crystallizes tetrahedra; occurs in hydrothermal veins and contact metamorphic deposits; a source of copper and other metals. 2. The mineral group freibergite, giraudite, goldfieldite, hakite, tennantite, and tetrahedrite.

tourmaline

1. Any member of the trigonal mineral group, XY3Z6(BO3)3Si6O18(OH,F)4where X is Na partially replaced by Ca, K, Mg, or a vacancy, Y is Mg, Fe2+, Li, or Al, and Z is Al and Fe3+; forms prisms of three, six, or nine sides; commonly vertically striated; varicolored; an accessory in granite pegmatites, felsic igneous rocks, and metamorphic rocks. Transparent and flawless crystals may be cut for gems. 2. The mineral group buergerite, dravite, elbaite, ferridravite, liddicoatite, schorl, and uvite.

triassic

Belonging to the geolic time, system of rocks or sedimentary deposits of the first period of the Mesozoic Era, characterized by the diversification of land life, the rise of dinosaurs and the appearance of the earliest mammals.

tuff

Rock composed of fine volcanic ash.

ultramafic

Also called ultrabasic. Characterizes rocks containing less than 45% silica; containing virtually no quartz or feldspar. They are essentially composed of iron and magnesium-rich minerals, metallic oxides and sulfides, and native metals.

unconformity

A surface between successive strata representing a missing interval in the geologic record of time, and produced either by an interruption in deposition or by the erosion of depositionally continuous strata followed by renewed deposition.

vein

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

volcanics

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

zone

An area of distinct mineralization.

SCHEDULE "A"

KINROSS GOLD CORPORATION
("KINROSS")

CHARTER OF THE
AUDIT COMMITTEE

I. Purpose

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

- Oversee (i) the integrity of Kinross' financial statements; (ii) Kinross' compliance with legal and regulatory requirements regarding financial disclosure; (iii) the independent auditors' qualifications and independence; and (iv) the performance of Kinross' internal audit function.
- Serve as an independent and objective party to monitor Kinross' financial reporting processes and internal control systems.
- Review and appraise the audit activities of Kinross' independent auditors and the internal auditing functions.
- Annually evaluate the performance of the Audit Committee in light of the requirements of its Charter.
- Provide open lines of communication among the independent auditors, financial and senior management, and the Board of Directors for financial reporting and control matters. The Audit Committee will meet, periodically, with management, with the members of the internal audit function and with the independent auditors.

II. Composition

The Audit Committee shall be comprised of at least three directors. Each Committee member shall be an "independent director" in accordance with applicable legal requirements, including currently the requirements of Multilateral Instrument 52-110 and the Corporate Governance Rules of the New York Stock Exchange ("NYSE Rules"), which are reproduced in Schedule "I" attached hereto.

All members shall, to the satisfaction of the Board of Directors, be "financially literate", and at least one member shall have accounting or related financial management expertise to qualify as a "financial expert" in accordance with applicable legal requirements, including currently the requirements of Multilateral Instrument 52-110, the rules adopted by the United States Securities and Exchange Commission and the NYSE Rules reproduced in Schedule "I" attached hereto.

As the rules set out in Schedule "I" may be revised, updated or replaced from time to time, the Audit Committee shall ensure that such schedule is up-dated accordingly when required.

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

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

III. Responsibilities and Powers

Responsibilities and powers of the Audit Committee include:

- Annual review and revision of this Charter as necessary with the approval of the Board of Directors.
- Subject to the powers of the Board of Directors and the shareholders under Kinross' articles, by-laws and under the Business Corporations Act (Ontario), the Audit Committee is responsible for the selection, appointment, oversight, evaluation, compensation, retention and, if necessary, the replacement of the independent auditors who prepare or issue an auditors' report or perform other audit, review or attest services for Kinross.
- Approving the appropriate audit engagement fees and the funding for payment of the independent auditors' compensation and any advisors retained by the Audit Committee.
- Ensuring that the auditors report directly to the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.
- Confirming the independence of the auditors, which will require receipt from the auditors of a formal written statement delineating all relationships between the auditors and Kinross and any other factors that might affect the independence of the auditors and reviewing and discussing with the auditors any significant relationships and other factors identified in the statement. Reporting to the Board of Directors its conclusions on the independence of the auditors and the basis for these conclusions.
- Ensuring that the independent auditors are prohibited from providing the following non-audit services and determining which other non-audit services the independent auditors are prohibited from providing:
    - bookkeeping or other services related to the accounting records or financial statements of Kinross;
    - financial information systems design and implementation;
    - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
    - actuarial services;
    - internal audit outsourcing services;
    - management functions or human resources;
    - broker or dealer, investment adviser or investment banking services;
    - legal services and expert services unrelated to the audit; and
    - any other services which the Public Company Accounting Oversight Board determines to be impermissible.

- Approving any permissible non-audit engagements of the independent auditors in accordance with applicable laws.

- Obtaining from the independent auditors in connection with any audit a timely report relating to the Kinross' annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences.

- Meeting with the auditors and financial management of Kinross to review the scope of the proposed audit for the current year, and the audit procedures to be used.

- Reviewing with management and the independent auditors:

    - Kinross' annual and interim financial statements and related footnotes, management's discussion and analysis, earnings releases and the annual information form, for the purpose of recommending approval by the Board of Directors prior to being released or filed with regulators, and ensuring that:

        - management has reviewed the financial statements with the audit committee, including significant judgments affecting the financial statements

        - the members of the Committee have discussed among themselves, without management or the independent auditors present, the information disclosed to the Committee

        - the Committee has received the assurance of both financial management and the independent auditors that Kinross' financial statements are fairly presented in conformity with Canadian GAAP in all material respects

    - Any significant changes required in the independent auditors' audit plan and any serious issues with management regarding the audit.

    - Other matters related to the conduct of the audit that are to be communicated to the Committee under generally accepted auditing standards.

    With respect to the internal auditing department,

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

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

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

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

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

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

- Satisfying itself that adequate procedures are in place for the review of Kinross' public disclosure of financial information extracted or derived from Kinross' financial statements, other than the public disclosure described in the preceding paragraph, and assessing the adequacy of such procedures periodically.
- Reviewing with the independent auditors and management the adequacy and effectiveness of the financial and accounting controls of Kinross.

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

- Monitoring compliance with Kinross' Code of Business Conduct & Ethics.

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

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

- Assessing the overall process for identifying principal business, political, financial and control risks and providing its views on the effectiveness of this process to the Board.

- Ensuring that the disclosure of the process followed by the Board of Directors and its committees, in the oversight of Kinross' management of principal business risks, is complete and fairly presented.

- Reviewing of confirmation of compliance with Kinross' policies on internal controls, conflicts of interests, ethics, foreign corrupt practice, etc.

- Discussing any earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

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

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

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

- Reporting annually to the shareholders in Kinross' Management Information Circular prepared for the annual and general meeting of shareholders on the carrying out of its responsibilities under this charter and on other matters as required by applicable securities regulatory authorities.

IV. Meetings and Other Matters

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

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

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

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

The Audit Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts and advisors, as it deems necessary or appropriate, without seeking approval of the Board or management.

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

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

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

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

Schedule "I"

Independence Requirement of Multilateral Instrument 52-110

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

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

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

(c) an individual who:

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

(ii) is an employee of that firm; or

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

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

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

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

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

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

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

In addition to the independence criteria discussed above, any individual who:

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

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

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

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

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

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

Independence Requirement of NYSE Rules

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

In addition:

(a) A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationships.

(b) A director who receives, or whose immediate family member receives, more than $100,000 per year in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than $100,000 per year in such compensation.

(c) A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not "independent" until three years after the end of the affiliation or the employment or auditing relationship.

(d) A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company's present executives serve on that company's compensation committee is not "independent" until three years after the end of such service or the employment relationship.

(e) A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.

A member of the Audit Committee must also satisfy the independence requirements of Rule 10A-3(b)(1) adopted under the Securities Exchange Act of 1934 as set out below:

In order to be considered to be independent, a member of an audit committee of a listed issuer that is not an investment company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:

(a) Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or

(b) Be an affiliated person of the issuer or any subsidiary thereof.

An "affiliated person" means a person who directly or indirectly controls Kinross, or a director, executive officer, partner, member, principal or designee of an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, Kinross.

Financial Literacy Under Multilateral Instrument 52-110

"Financially literate", in accordance with MI 52-110, means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Financial Expert under SEC Rules

An audit committee financial expert is defined as a person who has the following attributes:

(a) an understanding of generally accepted accounting principles and financial statements;

(b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues which are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

(d) an understanding of internal controls and procedures for financial reporting; and

(e) an understanding of audit committee functions.

An individual will be required to possess all of the attributes listed in the above definition to qualify as an audit committee financial expert and must have acquired such attributes through one or more of the following means:

(a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar function;

(b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

(c) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

(d) other relevant experience.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005

This management's discussion and analysis ("MD&A") relates to the financial condition and results of operations of Kinross Gold Corporation together with its wholly owned subsidiaries as of March 29, 2006, and is intended to supplement and complement Kinross Gold Corporation's audited consolidated financial statements for the year ended December 31, 2005 and the notes thereto. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to consult Kinross Gold Corporation's audited consolidated financial statements and corresponding notes to the financial statements which are available on the Company's website www.kinross.com and on www.sedar.com. The consolidated financial statements and MD&A are presented in U.S. dollars and have been prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP"). Reconciliation to United States generally accepted accounting principles is provided in Note 21 to the financial statements. This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as of and for the year ended December 31, 2005, as well as our outlook.

This section contains forward-looking statements and should be read in conjunction with the risk factors described in "Risk Analysis". In certain instances, references are made to relevant notes in the consolidated financial statements for additional information.

Where we say "we", "us", "our", the "Company" or "Kinross", we mean Kinross Gold Corporation or Kinross Gold Corporation and it subsidiaries, as it may apply. Where we refer to the "industry", we mean the gold mining industry.

1. Overview

Kinross Gold Corporation is engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, extraction, processing and reclamation. Kinross' gold production and exploration activities are carried out principally in the United States, Canada, Brazil, Chile, Russia, and Africa[(1)]. Gold, the Company's primary product, is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a limited amount of silver.

The profitability and operating cash flow of Kinross is affected by various factors, including the amount of gold and silver produced, the market prices of gold and silver, operating costs, interest rates, regulatory and environmental compliance, general and administrative costs, the level of exploration and capital expenditures, and other discretionary costs. Due to the global nature of the Company's operations, exposure also arises from fluctuations in foreign currency exchange rates and varying levels of taxation. While Kinross seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

Segment Profile

Segments are operations reviewed by the Chief Operating Decision Maker (Chief Executive Officer). Reportable segments are identified based on quantitative thresholds, which are those operations whose revenues, earnings (loss) or assets are greater than 10% of the total consolidated revenues, earnings (loss) or assets of all the reportable segments. In addition, the Company evaluates qualitative factors, such as which operations are considered significant and ongoing by the Chief Operating Decision Maker. Less significant properties that are either producing or in development prior to commercial production are classified as Other operations. Operations under care and maintenance or shutdown (properties in the reclamation phase), less significant non-mining operations and other operations not meeting these thresholds are included in Corporate and other.

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(1) *In light of the economic and political conditions and the negative impact of inflationary pressures in Zimbabwe, the Blanket mine was written down in 2001 and Kinross discontinued consolidation of the results of this operation in 2002.*

Operating Segments		Location	Ownership percentage 2005	2004	2003[a]
Fort Knox	Operator	U.S.A.	100%	100%	100%
Paracatu[b]	Operator	Brazil	100%	100%	49%
Round Mountain	Operator	U.S.A.	50%	50%	50%
Porcupine Joint Venture	Non-operator	Canada	49%	49%	49%
La Coipa	Non-operator	Chile	50%	50%	50%
Crixás	Non-operator	Brazil	50%	50%	50%
Musselwhite	Non-operator	Canada	32%	32%	32%
Other operations[c]	Operator	Various	Various	Various	Various
Corporate and other[d]					

(a) *The results of operations for 2003 include only 11 months (February through December) of operating and financial results for the mines acquired in the TVX/Echo Bay transaction.*

(b) *The acquisition of the remaining 51% of Paracatu was completed on December 31, 2004. Therefore, the Company's 49% proportionate share of Paracatu's operating results is included for the years ended December 31, 2004 and 2003.*

(c) *Other operations include Kettle River, Refugio, Gurupi and Kubaka. Results for 2003 include the Company's portion of Kubaka's financial results (54.7% until February 28, 2003, and 100% thereafter).*

(d) *Corporate and other includes, among other assets, New Britannia, Lupin and Aquarius.*

Comparability of Periods

On January 31, 2003, the Company combined its operations with those of TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay"). This transaction is fully described in Note 5 of the consolidated financial statements. As a result, comparative numbers for 2003 include only the results of 11 months of operations for the mines acquired in this combination. In addition, the Company acquired the remaining 51% interest in the Paracatu mine in Brazil on December 31, 2004. Consequently, the results from operations for 2003 and 2004 include results from only 49% from the mine.

Consolidated Financial and Operating Highlights

	Years ended December 31, 2005	2004	2003[a]	Change 05 vs 04	04 vs 03
	(dollars in millions, except per share amounts)				
Gold equivalent ounces — produced	**1,608,805**	1,653,784	1,620,410	(3%)	2%
Gold equivalent ounces — sold[b]	**1,627,675**	1,654,617	1,600,246	(2%)	3%
Gold ounces — sold	**1,575,267**	1,585,109	1,541,577	(1%)	3%
Revenue	**$ 725.5**	$ 666.8	$ 571.9	9%	17%
Cost of sales (excludes accretion, depreciation, depletion and amortization)	**$ 448.1**	$ 402.4	$ 362.0	11%	11%
Accretion and reclamation expense	**$ 56.0**	$ 21.4	$ 9.0	162%	138%
Impairment of goodwill	**$ 8.7**	$ 12.4	$ 394.4	(30%)	(97%)
Impairment of property, plant and equipment	**$ 171.9**	$ 46.1	$ 15.2	273%	203%
Net loss	**$ (216.0)**	$ (63.1)	$ (474.2)	(242%)	87%
Net loss attributable to common shares	**$ (216.0)**	$ (63.1)	$ (442.2)	(242%)	86%
Basic and diluted loss per share	**$ (0.63)**	$ (0.18)	$ (1.43)	(250%)	87%
Cash flow from operating activities	**$ 133.7**	$ 161.2	$ 83.0	(17%)	94%
Total assets	**$ 1,698.1**	$ 1,834.2	$ 1,794.5	(7%)	2%
Long-term financial liabilities	**$ 429.7**	$ 357.4	$ 274.2	19%	32%

(a) *2003 results include TVX and Echo Bay properties for the 11 months from February to December only.*

(b) *Gold equivalent ounces include silver ounces produced converted to gold based on the ratio of the average spot market prices for the commodities for each year. The ratios were 2005-60.79:1, 2004-61.46:1 and 2003-74.79:1.*

Consolidated Financial Performance

Kinross recorded a loss attributable to common shareholders of $216.0 million, or $0.63 per share, for the twelve months ended December 31, 2005, compared with a loss of $63.1 million, or $0.18 per share, in 2004 and a loss of $442.2 million, or $1.43 per share, in 2003. Financial results in 2005 were negatively affected by total impairment charges of $184.7 million, which included charges to property, plant and equipment of $171.9 million and goodwill of $8.7 million. During 2005, decreased sales were offset by higher realized gold prices resulting in a 9% increase in revenue. Increased gold sales along with higher gold prices resulted in a 17% increase in revenue in 2004, compared with 2003. Equivalent gold ounces sold increased from 1,600,246 ounces in 2003, to 1,654,617 ounces in 2004 and 1,627,675 in 2005. The increase from 2003 to 2004 was primarily due to the inclusion of the TVX and Echo Bay properties for the full 12 months in 2004.

The impairment charges of $184.7 million included a charge on the Fort Knox mine of $141.8 million. During the year a strategic review was conducted on the Fort Knox operation. The review was done in light of higher electricity and fuel costs, the metallurgical performance at True North and slope stability issues at the southwest wall of the pit. As a result of the review, the True North and Gil deposits were reclassified from reserves to resources, the Company decided to withdraw from the Ryan Lode project, which had been included in reserves, and design changes were made to the Fort Knox pit, all of which contributed to the write-down. The strategic review determined that at a gold price of $450 per ounce it would be profitable to include the resources in the Fort Knox life of mine plan, to be mined after the depletion of the initial pit and partially through heap leach. The heap leach is presently being tested with favourable results.

Kinross utilized the same impairment methodology as in 2004, using nominal prices and cost assumptions reflecting inflation and currency impacts. The gold price assumptions were based on gold price forecasts by an independent external research firm as well as other external market data.

Between 2003 and 2005, Kinross experienced increases in the costs of fuel, power, labour and other production costs. In addition, the weakening of the U.S. dollar increased costs at the Company's mines located outside the United States. General and administrative expenses increased to $45.3 million, from $36.4 million in 2004 and $25.0 million in 2003. The increase was largely due to costs related to a regulatory review and subsequent restatement, as well as increased severance costs. Accretion and reclamation expense increased to $56.0 million in 2005, from $21.4 million in 2004 and $9.0 million in 2003. Included in accretion and reclamation expense for 2005 is $46.0 million related to increases in the fair value estimate of the reclamation liabilities, resulting from changes to cost estimates, at mines no longer in production.

Cash flow from operations during 2005 decreased by $27.5 million to $133.7 million. Cash flow from operations in 2004 of $161.2 million represented a 94% increase from the $83.0 million in 2003. The decrease in operating cash flow in 2005 was the result of higher operating costs and changes in working capital requirements, partially offset by higher gold prices. The increase in operating cash flow between 2003 and 2004 was largely the result of higher gold price and an increase in the number of ounces sold.

Continuing from the acquisition of TVX and Echo Bay, Kinross has pursued a growth strategy. Cash used on additions to property, plant and equipment was $142.4 million in 2005, $169.5 million in 2004 and $73.4 million in 2003. In addition, cash of $261.2 million was used to acquire the remaining 51% interest in the Paracatu mine in 2004. The Company financed these expenditures largely with cash provided by operating activities, existing cash balances and long-term debt. The Company's balance of cash and cash equivalents decreased from $245.8 million at December 31, 2003 to $97.6 million at December 31, 2005. Long-term debt during the same period increased from $30.1 million to $159.3 million.

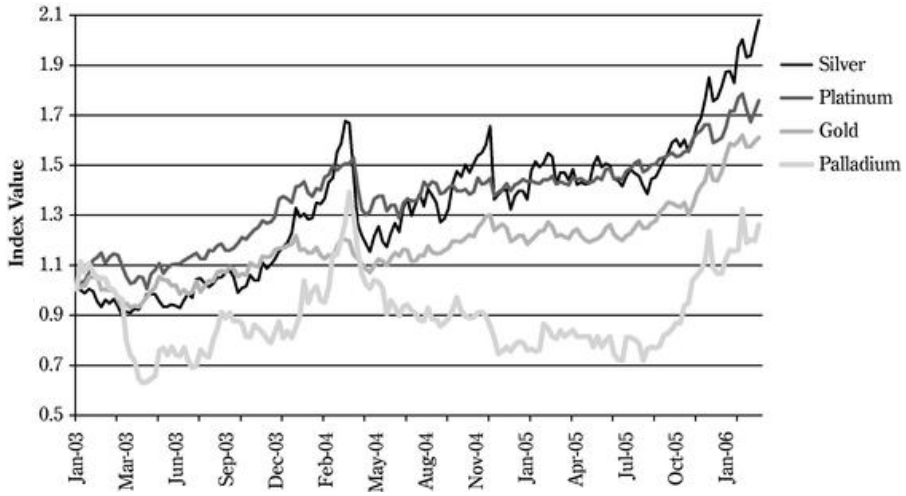
Reserves

At December 31, 2005, Kinross had proven and probable mineral reserves of 24.7 million ounces of gold, compared with 19.4 million at the end of 2004. This represents a 27% increase despite the depletion of 1.8 million contained gold ounces through mining and a reduction of 2.0 million contained gold ounces resulting from an asset sale and reclassifications to resources. The reserve additions of 9.1 million ounces were largely the result of successful exploration efforts at Paracatu and Round Mountain, and the decision to proceed with a pit expansion at Round Mountain. A higher gold price assumption also had a positive impact on the reserve calculations. Reserves at December 31, 2005, were estimated based on gold price of $400 per ounce, versus $350 per ounce at December 31, 2004.[(2)]

2. Impact of Key Economic Trends

Price of Gold[(3)]

Precious Metals Comparison



The price of gold is the largest single factor in determining profitability and cash flow from operations. Accordingly, the financial performance of the Company has been, and is expected to continue to be, closely linked to the price of gold. Historically, the price of gold has been subject to volatile price movements over short periods of time and is affected by numerous macroeconomic and industry factors that are beyond the Company's control. Some of the major influences on the gold price are currency exchange rate fluctuations and the relative strength of the U.S. dollar, the supply of and demand for gold, and macroeconomic factors such as the level of interest rates and inflation expectations.

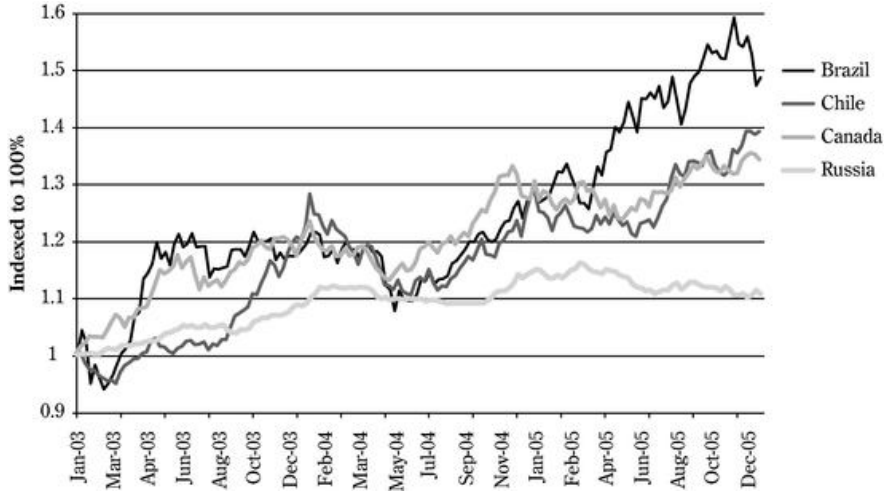
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(2) *For details concerning mineral reserve and mineral resource estimates refer to the Mineral Reserves and Mineral Resources tables and notes in the Company's Annual Information Form.*

(3) *Source: Reuters*

Currency Fluctuations

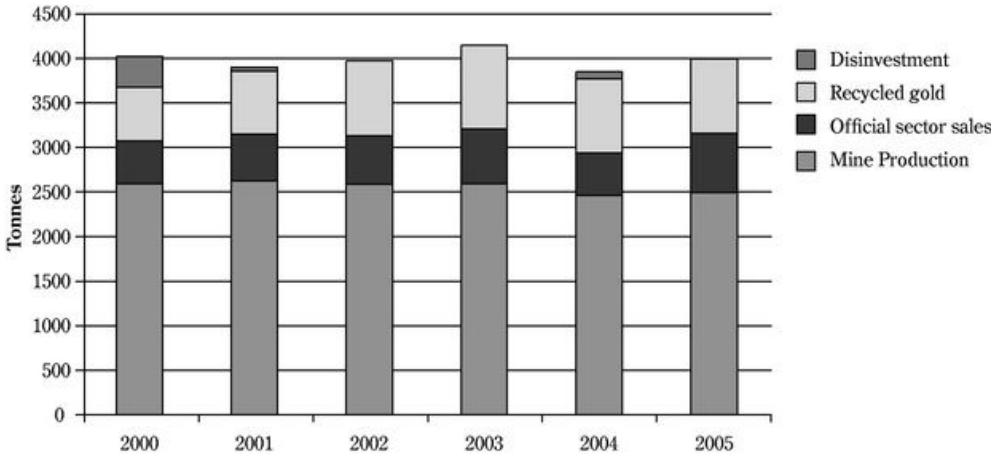
Currency Relative Performance Against U.S. Dollar



Kinross receives its revenues through the sale of gold in U.S. dollars. However, for the Company's non-U.S. operations, a portion of the operating costs and capital expenditures are denominated in the local currency. Changes in foreign exchange rates have an impact on the Company's operating costs and capital expenditures, affecting profitability and cash flow. Kinross' operations outside of the U.S. are located in Canada, Brazil, Chile and Russia. Since 2003, the currencies of the countries in which Kinross operates have strengthened against the U.S. dollar, as highlighted in the graph above. As those foreign currencies have risen, local costs incurred in those countries, when measured in U.S. dollars, have increased. Since the beginning of 2003, as measured against the U.S. dollar, the Canadian dollar has appreciated by 35%, the Brazilian real by 51%, the Chilean peso by 39% and the Russian ruble by 10%. During 2005, the Canadian dollar, Brazilian real and Chilean peso appreciated against the U.S. dollar by 3%, 13% and 8%, respectively, while the Russian ruble depreciated by 4%. Approximately 55% of the Company's expected production in 2006 is forecast to come from operations outside the U.S. and will continue to be exposed to foreign exchange rate movements. As part of its strategy to manage this risk, the Company has used currency hedges for certain foreign currency exposures.

Gold Supply and Demand Fundamentals[(4)]

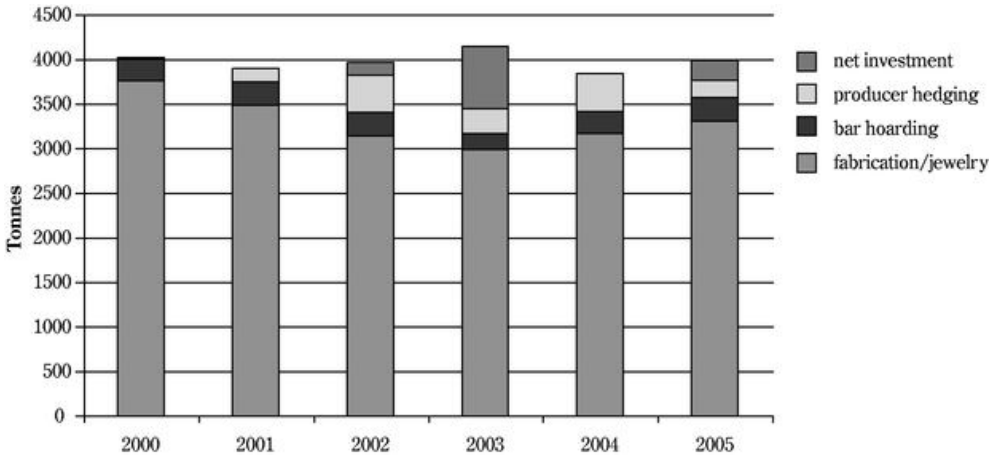
Gold Supply



(4) *Source: GFMS 2005 Gold Survey*

Global gold mine production in 2005 increased slightly over the 2004 level, but remained lower than production in the 2000 through to 2003 period. Mine supply is not predicted to increase in the near future. Central banks and recycled gold helped to fill the supply gap left by lower mine production.

Gold Demand

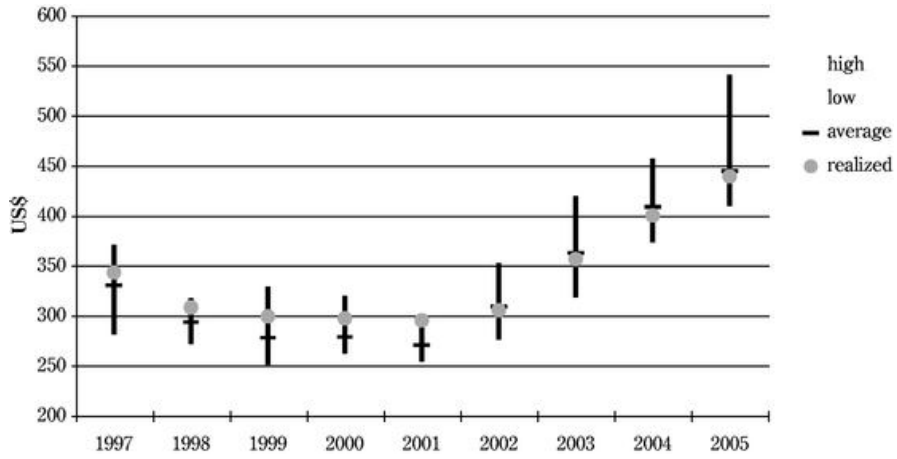


Demand for gold was strong on several fronts. Fabrication and jewelry demand increased by 4.5% even as the price of gold continued to rise. Investment demand was also strong. A new Exchange Trade Fund ("ETF"), which enables investors to purchase $^{1}/_{10}{}^{th}$ of an ounce of gold, was introduced in 2005 and trades on the New York Stock Exchange. By the end of 2005, the total gold purchased to satisfy the demand for the new ETF product reached 11 million ounces (320 tonnes). Producer de-hedging also contributed to demand as gold hedging programs continued their decline.

One of the few mechanisms available to the Company to affect the price of gold it receives is to sell gold forward with a gold price hedging program. Under these arrangements, the Company agrees to deliver gold in the future at a price fixed at the time of entering into the contract. A forward hedge protects the Company against future declines in the gold price for the ounces that are hedged but prevents the Company from benefiting from future gold price increases with respect to those ounces. Until the first half of 2004, Kinross maintained an active gold price hedge program for some of its production. At the present time Kinross is not actively engaged in hedging its exposure to fluctuations in the gold price. The following chart shows the range of prices for gold in each year, the average price of gold, and the price that Kinross was able to realize. (5)

(5) *The use of the words "hedge" or "hedging" throughout the MD&A refers to an economic hedge, which is not necessarily a hedge from a financial statement perspective as defined in Accounting Guideline 13, "Hedging Relationships".*

Average and Realized Gold Price

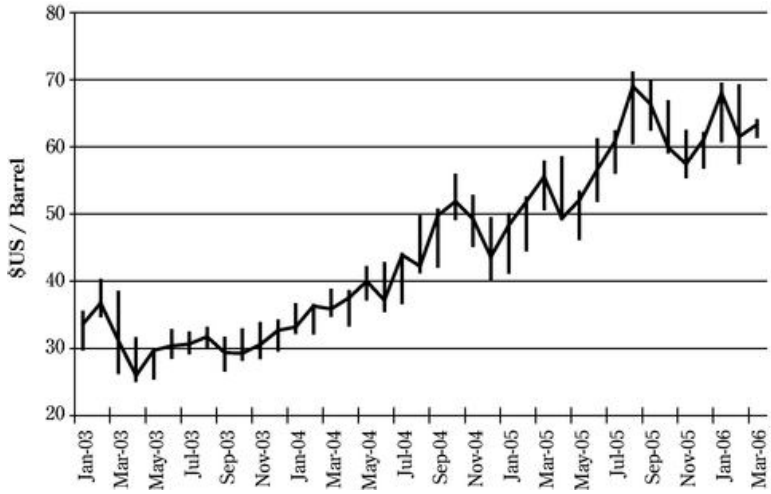


Kinross' gold price hedging program enabled it to realize gold prices in excess of average market prices in the period 1997-2001. Between 2002 and 2005, Kinross realized prices that were lower than the average market price for gold as the ounces necessary to satisfy the remaining gold hedge contracts (agreements to sell at lower historical prices) were delivered into and recognized in revenue.

Inflationary Cost Pressures

In addition to the weaker U.S. dollar, the Company's profitability has been negatively impacted by rising development and operating costs with respect to labour, energy and consumables in general. Mining is generally an energy intensive activity, especially open pit mining. Energy prices in the form of both fuel and electricity can have a significant impact on operations. Fuel (primarily, diesel and propane), as a percentage of operating cost, varies amongst the Company's mines; however, all operations experienced high fuel costs during 2004, largely attributable to a continuing rise in crude oil prices. Average oil prices increased approximately 35% between 2003 and 2004, and increased a further 38% in 2005. Higher oil prices have translated into higher costs for petroleum based expenditures, including lubricants, tires and transportation. Electricity prices have also increased in recent years as a result of increased demand and higher natural gas prices.

WTI Crude Oil Price History



Other consumables have also increased in price recently. The Company continues to focus on continuous improvement in order to mitigate the impact of higher consumable prices by extending the life of capital assets and a more efficient use of materials and supplies in general.

With the recent strengthening of the gold price and other commodity prices, exploration, development and operating activities have grown substantially in the mining and resource industries, leading to increased competition for qualified personnel and associated labour cost pressures.

3. 2006 Outlook

Kinross expects to produce approximately 1.44 million gold equivalent ounces in 2006, compared with 1.61 million gold equivalent ounces in 2005. The 11% decrease in expected production is due to the drop in production from Kubaka and Kettle River, which provided 140,195 ounces and 68,146 ounces of gold equivalent production, respectively, in 2005. It is expected that increased production at Paracatu and Refugio, along with an expected improvement in La Coipa's production, will partially offset the production losses from Kubaka and Kettle River. A decrease in forecasted production is expected to result in lower overall operating costs; however energy and other commodity costs are expected to increase over 2005. The U.S. dollar continued to weaken against the Canadian dollar, Brazilian real and Chilean peso during 2005. As a result, 2006 operating results and capital expenditures in non-U.S. countries where the Company operates are expected to be negatively impacted.

In 2006, general and administrative expenses are expected to decline from 2005 levels. In addition, the Company currently does not anticipate any scope changes or cost increases above the 2005 year end reclamation and remediation estimates. As a result, accretion and reclamation expense in 2006 is expected to be lower at approximately $12.0 million, reflecting only the change related to the interest element of the discounted liability.

Efforts will continue to extend the mine life at the Company's core operations. Aggregate exploration and corporate development expense is forecasted to be $30.7 million in 2006, an increase of $4.1 million over 2005 levels, with a focus on minesite exploration. Capital expenditures are expected to be $285.0 million in 2006, with major expenditures planned for Paracatu, Fort Knox, the Buckhorn project in Washington State, Round Mountain, the Porcupine Joint Venture and La Coipa. Total reclamation spending in 2006 is expected to be approximately $36.3 million. Reclamation spending will focus primarily on the Company's properties under closure.

Based on the average gold price to date in 2006 [(6)], it is expected that the Company's existing cash balances, cash flow from operations and existing credit facilities will be sufficient to fund the exploration, capital and reclamation programs planned for 2006. The Company is reviewing financing alternatives and is in negotiations to secure additional debt financing for the Paracatu expansion project.

4. Strategy

During 2005, following management changes, the Company conducted a comprehensive strategic review of its assets and obligations. The result of this review was the development of a strategic objective. Kinross' strategic objective is to maximize precious metals net asset value and cash flow per share through a four-point plan built on organic growth from core operations; expanding the Company's business capacity to support future growth; attracting and retaining the best people in the industry; and driving new precious metals mining opportunities through exploration and acquisition.

Organic growth from Kinross' core operations will be achieved through mine site exploration, delivering on the Company's major capital projects, the disposal of non-core assets, and a focus on continuous improvement in operating practices and mine planning.

The expansion of Kinross' business capacity to support future growth will be achieved by optimizing the Company's corporate organizational structure, improvements in technology and business systems, cost control and an expanded internal and external communications program.

Kinross will succeed in attracting and retaining the best people in the industry by continuing to maintain high standards in environment, health and safety practices, offering competitive compensation, enhancing the Company's human resource planning activities and by making improvements in corporate governance.

Kinross will develop value, creating new precious metals mining opportunities through a renewed focus on exploration, increased funding for generative exploration activities and a reinvigorated and disciplined approach to corporate development.

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(6) *Average gold price from January 1 to March 27, 2006 was $553 per ounce.*

5. Developments

Agreement to Acquire Crown Resources Corporation

On November 20, 2003, Kinross announced that it had executed a definitive acquisition agreement (the "Agreement") with Crown Resources Corporation ("Crown") whereby Kinross would acquire Crown and its wholly owned Buckhorn gold deposit located in north central Washington State, approximately 70 kilometres by road from the Company's Kettle River mill. The original agreement was based on an exchange ratio of 0.2911 of a common share of Kinross for each outstanding common share of Crown and is subject to the effectiveness of a registration statement covering the issuance of common shares filed with the United States Securities and Exchange Commission and approval by Crown shareholders. As a result of a review of the accounting for goodwill in the TVX and Echo Bay transaction, the completion of the registration statement was delayed.

On January 7, 2005, the Company and Crown announced that the termination date for the Agreement was extended from December 31, 2004 to May 31, 2005. Kinross also agreed to acquire 511,640 newly issued shares of Crown in a private placement for $1.0 million.

Prior to the revised deadline of May 31, 2005, an amendment was signed that extended the termination date of the Agreement to March 31, 2006, subject to Kinross filing its 2004 financial statements no later than December 31, 2005. Shareholders of Crown would receive 0.34 shares of Kinross for each share of Crown. A valuation collar was also agreed upon in which the aggregate maximum value of Kinross common shares to be issued to Crown shareholders would be $110 million and the minimum value would be $77.5 million, excluding, in both cases, shares of Crown held by Kinross. The Company also agreed to purchase a $10 million convertible debenture from Crown. The debenture is convertible into 5.8 million common shares of Crown. In the event the Agreement is terminated, Crown shall have the right to convert all amounts due under this debenture by providing 30 days' prior notice to Kinross.

As a result of the delay due to the restatement, the Company has signed an amendment to extend the termination date from March 31, 2006 to December 31, 2006 and adjust the price that the Company will pay to acquire Crown and the Buckhorn gold deposit. Shareholders of Crown will now receive 0.32 shares of Kinross for each share of Crown, a decrease of 0.02 over the previous ratio of 0.34 shares, and the valuation collar mentioned above has been removed. Assuming all of the outstanding Crown warrants and options are converted, a total of approximately 14.7 million common shares of Kinross will be issued upon completion of the transaction.

The Company has also agreed to loan Crown $2.0 million if the transaction is not closed by July 1, 2006. The $2.0 million loan would be used to buy out the only existing smelter return royalty from a third party covering the ore body at Buckhorn. The loan would have a three-year term and bear interest at the published (Wall Street Journal) prime rate at the time of borrowing plus 3%.

Change in CEO

In March 2005, the Company announced the appointment of Tye Burt as President and Chief Executive Officer. Mr. Burt replaced Robert Buchan who announced his intention to step down in January 2005. Mr. Burt joined Kinross following his most recent position as Vice-Chairman and Executive Director, Corporate Development with Barrick Gold Corporation. Prior to that he spent 16 years in corporate finance in the positions of Chairman of Deutsche Bank Canada and Global Head of Metals and Mining for Deutsche Bank, Head of Investment Banking in Vancouver and Co-head of the Mining Group at Nesbitt Burns and had spent many years at Burns Fry Limited in Mergers & Acquisitions and Equity Capital Markets.

Commercial Production at the Refugio Mine

The Refugio mine went into commercial production in the fourth quarter of 2005 and achieved its average targeted production rate of 40,000 tonnes per day in November 2005. During the twelve months ended December 31, 2005, the mine produced 30,580 ounces of gold to Kinross' account. The recommissioned mine is forecasted to produce approximately 124,000 ounces to the Company's account in 2006.

Cessation of Operations and Development

- ***Kubaka Mine*** — On January 25, 2005, the Company announced that it would not proceed with the development of the Tsokol vein located near the Kubaka mill. All mining activity at Kubaka underground and Birkachan was completed by June 2005, with only stockpiles processed in the second half of the year. Closure should be largely completed during 2006. However, further development of the Birkachan deposit is still being considered and Kinross continues to evaluate other exploration licenses within the region. An impairment charge of $25.1 million was recorded on the mine in 2004. Kubaka is included with Other operations for segment disclosure purposes.

- ***New Britannia Mine —*** On January 27, 2005, the Company and its joint venture partner High River Gold Mines Ltd. announced that a decision was made to discontinue development at the New Britannia mine. Exploration efforts were unable to define an extension of the ore body containing better grade and thickness than was mined in mid-2004. New Britannia suspended mining and milling operations in September 2004, but was drilling the ore body extension with the hope of further extending the mine life. However, these efforts were unsuccessful and in January 2005 it was decided that the mine would be placed on care and maintenance. An impairment charge of $1.3 million was recorded on the New Britannia mine in 2004. New Britannia is included with Corporate and other for segment disclosure purposes.

- ***Lupin Mine —*** In 2003, the Company suspended operations at the Lupin mine due to poor economic performance. The mine was placed on care and maintenance while a review of alternatives was undertaken. The review concluded that the development of a mine plan to extract previously developed remnant ore was appropriate. Accordingly, the mine recommenced production in March 2004 and continued through to February 2005 and is currently in reclamation. An impairment charge of $7.9 million was recorded on the Lupin mine in 2004. In February 2006, a letter of intent was signed to sell the Lupin mine to Wolfden Resources Inc. Lupin is included with Corporate and other for segment disclosure purposes.

Credit Facility

In December 2004, Kinross replaced its existing $125 million credit facility with a three-year $200 million revolving credit facility. The Company used $105.0 million of the new facility to satisfy a portion of the cost to purchase the remaining 51% interest in the Paracatu mine. The facility allowed for the limit to be increased to $300 million and allows for up to 70% of the outstanding limit to be drawn in gold. In April 2005, the outstanding limit was increased to $295 million and the maturity date extended to April 30, 2008. A total of ten banks have participated in the facility. Obligations under the facility are secured by the assets of the Fort Knox mine as well as by the shares of various wholly owned subsidiaries.

Settlement of Litigation

On November 4, 2005, the Company settled litigation associated with the Alpha Group regarding the Hellenic mines for $8 million. The action brought by the Alpha Group against Kinross followed Kinross' decision to return the Hellenic Gold Properties to the Greek government and place TVX Hellas into bankruptcy. The estimated cost for the settlement of litigation was taken as a charge against income in the twelve months ended December 31, 2004.

Sale of Aquarius

On December 7, 2005, Kinross signed a letter of intent to sell its Aquarius gold property to St Andrew Goldfields Ltd. ("St Andrew") in exchange for 100 million common shares of St Andrew and warrants to acquire 25 million St Andrew common shares at a price of CDN$0.17 per share for a period of 24 months. Based on a value of approximately $14.3 million for the consideration to be received and a carrying value for the Aquarius gold property of $51.1 million, the Company recorded an impairment charge to the carrying value of property, plant and equipment and goodwill of $36.8 million. In addition to the sale of Aquarius in 2005, the Company also sold the Norseman exploration property in Australia and E-Crete, a producer of aerated concrete located in Arizona.

Adoption of Shareholders' Rights Plan

On March 27, 2006, the Company's Board of Directors adopted a shareholders' rights plan (the "Plan"). The Plan will allow sufficient time for the Board of Directors and shareholders of the Company to properly evaluate a take-over bid or

pursue other alternatives. The Plan is in effect and is subject to regulatory and shareholder approval. Note 24 (d) to the accompanying financial statements discusses the Plan in further detail.

6. Consolidated Results of Operations

Financial and Operating Highlights

	Years ended December 31,			Change	
	2005	2004	2003[a]	'05 vs '04	'04 vs '03
	(in US$ millions, except ounces and per share amounts)				
Gold equivalent ounces — sold[b]	1,627,675	1,654,617	1,600,246	(2%)	3%
Gold ounces — sold	1,575,267	1,585,109	1,541,577	(1%)	3%
Silver ounces — sold	3,185,776	4,271,980	4,387,829	(25%)	(3%)
Average realized gold price ($/ounce)	$ 445	$ 404	$ 357	10%	13%
Gold sales — revenue	$ 702.7	$ 649.8	$ 563.4	8%	15%
Gain (loss) on metal derivative contracts [c]	(2.4)	(9.3)	(13.5)	74%	31%
Silver sales revenue	25.2	26.3	22.0	(4%)	20%
Total revenue	$ 725.5	$ 666.8	$ 571.9	9%	17%
Operating loss	$ (211.2)	$ (67.9)	$ (419.6)	(211%)	84%
Net loss	$ (216.0)	$ (63.1)	$ (474.2)	(242%)	87%
Net loss attributable to common shares	$ (216.0)	$ (63.1)	$ (442.2)	(242%)	86%
Basic and diluted loss per share	$ (0.63)	$ (0.18)	$ (1.43)	(250%)	87%

(a) 2003 results include TVX and Echo Bay properties for the 11 months from February to December only.

(b) All produced and sold ounces refer to Kinross' proportionate share. Gold equivalent ounces include silver ounces produced converted to gold based on the ratio of the average spot market prices for the commodities for each year. The ratios were 2005-60.79:1, 2004-61.46:1 and 2003-74.79:1.

(c) Gains or losses on purchased gold or silver options, spot deferred contracts or fixed forward contracts as a hedge against falling gold prices are recorded as revenue from metal sales.

2005 vs. 2004

- In 2005, gold equivalent ounces sold decreased by 2%, compared with 2004. Production and ounces sold decreased at Fort Knox, Round Mountain, Lupin, New Britannia and La Coipa. This was partially offset by increases at Kubaka, Musselwhite and attributable production at Paracatu due to the purchase of the remaining 51% at the end of 2004. A discussion on the performance of the Company's reportable operating segments is included below.

- Despite fewer ounces being sold, revenue from metal sales increased by 9% year-over-year; from $666.8 million in 2004 to $725.5 million in 2005. The increase was the result of a 10% increase in the realized gold price. During 2005, the Company realized an average price of $445 per ounce on the sale of its gold, against an average spot gold price for the year of $444 per ounce. During 2004, the Company realized an average gold price of $404 per ounce, versus an average spot gold price of $409 per ounce.

- The net loss attributable to common shares increased from $63.1 million, or $0.18 per share, to $216.0 million, or $0.63 per share, between 2004 and 2005. During 2005, impairment charges totaling $184.7 million were recorded (property, plant and equipment — $171.9 million; goodwill — $8.7 million; and investments — $4.1 million). This included impairment charges of $141.8 million on Fort Knox, $36.8 million on the Aquarius property, $3.4 million on Crixás and $2.0 million on Musselwhite. Excluding these impairment charges, results for 2005 would have been a net loss attributable to common shares of $32.1 million, compared to a net loss attributable to common shares of $5.6 million in 2004. The impairment charges are discussed further under "Impairment of Goodwill, Property, Plant and Equipment, and Investments". General and administrative expense increased to $45.3 million, from $36.4 million in 2004. The increase was largely due to costs related to the regulatory review of the Company's accounting for goodwill and subsequent restatement, as well as increased severance costs. In addition, accretion and reclamation expense related to the Company's reclamation and remediation obligations increased to $56.0 million in 2005, from $21.4 million in 2004 and $9.0 million in 2003. Included in accretion and

reclamation expense for 2005 is $46.0 million related to increased cost estimates at mines no longer in production.

2004 vs. 2003

- Gold equivalent ounces sold in 2004 increased 3% when compared to 2003. However, 2003 included only 11 months of revenue and production related to the mines acquired in the TVX/Echo Bay transaction. As a result, when viewed on an annualized full year basis, gold equivalent ounces sold decreased year-over-year. Production increases at Round Mountain, Musselwhite, La Coipa and Crixás were offset by reductions at Kubaka, Fort Knox, Lupin, New Britannia and the Porcupine Joint Venture.

- The increase in total revenues for 2004, when compared to 2003, is primarily the result of a 13% increase in average realized gold prices during 2004. The Company realized an average gold price of $404 per ounce, compared with $357 per ounce in 2003.

- Net loss attributable to common shares for 2004 was $63.1 million, or $0.18 per share, compared to a net loss attributable to common shares for 2003 of $442.2 million, or $1.43 per share. The losses for 2004 and 2003 primarily resulted from total impairment charges of $59.9 million and $411.5 million, respectively.

2006

Production in 2006 is expected to be 1.44 million gold equivalent ounces, down from 1.61 million in 2005. The 11% decrease in production is the result of the cessation of mining at Kubaka and Kettle River and decreases in production at Round Mountain and Fort Knox. Increases from Paracatu and Refugio, along with a revised estimate increasing expected production at La Coipa, will partially offset production losses from Kubaka and Kettle River.

Segment Earnings (Loss)

				2005 vs 2004[b]		2004 vs 2003[b]	
	2005	2004	2003[a]	Change $	Change %	Change $	Change %
			(in US$ millions)				
Operating Segments							
Fort Knox	$ (124.1)	$ 16.6	$ 7.0	$ (140.7)	nm	$ 9.6	137%
Paracatu[c]	5.4	2.9	(96.8)	2.5	86%	99.7	nm
Round Mountain	26.6	25.8	(81.6)	0.8	3%	107.4	nm
Porcupine Joint Venture	(0.9)	5.7	1.5	(6.6)	nm	4.2	280%
La Coipa	(2.4)	0.9	(70.8)	(3.3)	nm	71.7	nm
Crixás	11.3	12.8	(33.8)	(1.5)	12%	46.6	nm
Musselwhite	(7.7)	(3.8)	(60.9)	(3.9)	103%	57.1	94%
Other operations[d]	0.8	(36.9)	6.6	37.7	nm	(43.5)	nm
Corporate & other[e]	(120.2)	(91.9)	(90.8)	(28.3)	31%	(1.1)	1%
Total	$ (211.2)	$ (67.9)	$ (419.6)	$ (143.3)	211%	$ 351.7	84%

(a) Segment earnings (loss) for 2003 include only 11 months of operating and financial results for the mines acquired in the TVX/Echo Bay transaction.

(b) "nm" refers to not meaningful.

(c) The acquisition of Paracatu was completed on December 31, 2004. Therefore, the Company's 49% proportionate share of Paracatu's operating results have been included for the years ended December 31, 2004 and 2003.

(d) Other operations include Kettle River, Refugio, Kubaka and Gurupi. Segment earnings for 2003 included the Company's portion of Kubaka's financial results (54.7% until February 28, 2003, and 100% thereafter).

(e) Corporate and other includes, among other assets, New Britannia, Lupin and Aquarius.

Results of Operations

Fort Knox (100% ownership and operator) — USA

	2005	2004	2003	2005 vs 2004 Change $	2005 vs 2004 Change %	2004 vs 2003 Change $	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)	12,683	10,927	12,739	1,756	16%	(1,812)	(14%)
Tonnes processed (000's)	13,050	13,239	13,685	(189)	(1%)	(446)	(3%)
Grade (grams/tonne)	0.90	0.94	1.07	(0.04)	(4%)	(0.13)	(12%)
Recovery (%)	86.9%	84.2%	83.1%	2.7%	3%	1.1%	1%
Gold equivalent ounces							
Produced	329,320	338,334	391,831	(9,014)	(3%)	(53,497)	(14%)
Sold	320,771	351,738	370,152	(30,967)	(9%)	(18,414)	(5%)
Financial Data (in US$ millions)							
Revenues	$ 143.1	$ 143.9	$ 136.3	$ (0.8)	(1%)	$ 7.6	6%
Cost of sales	88.1	89.2	90.3	(1.1)	(1%)	(1.1)	(1%)
Accretion and reclamation expense	1.1	1.3	0.6	(0.2)	(15%)	0.7	117%
Depreciation, depletion and amortization	34.8	35.9	36.0	(1.1)	(3%)	(0.1)	(0%)
	19.1	17.5	9.4	1.6	9%	8.1	86%
Exploration	0.6	0.6	2.4	—	0%	(1.8)	(75%)
Impairment charge	141.8	—	—	141.8	nm	—	nm
Other	0.8	0.3	—	0.5	167%	0.3	nm
Segment earnings (loss)	$ (124.1)	$ 16.6	$ 7.0	$ (140.7)	nm	$ 9.6	137%

The Company acquired the Fort Knox open pit mine, located near Fairbanks, Alaska, in 1998. The Fort Knox operation consists of the Fort Knox open pit and the True North open pit located approximately 15 kilometres northwest of Fort Knox.

2005 vs. 2004 Production of gold equivalent ounces decreased by 3% due to lower grade and mill throughput, which was partially offset by a higher recovery. The lower grade in 2005 was the result of the suspension of production at the True North deposit in 2004. The lower mill throughput was the result of processing the harder Fort Knox ore compared with the blended ore from True North and Fort Knox for much of the prior year. Despite selling 9% fewer gold equivalent ounces in 2005, revenues remained largely unchanged, due to a higher realized gold price. The decrease in cost of sales reflects lower gold ounces sold. The cost of sales, on a per ounce basis, increased as a result of higher energy costs, partially offset by improved cost efficiencies as a result of the continuous improvement program. In 2005, the Company recorded a $141.8 million impairment charge against the mine. During the year, a strategic review was conducted on the operation. The review was done in light of higher electricity and fuel costs, the metallurgical performance at True North and slope stability issues at the southwest wall of the pit. As a result of the review, the True North and Gil deposits were reclassified from reserves to resources, the Company decided to withdraw from the Ryan Lode project, which had been included in reserves, and design changes were made to the Fort Knox pit. The impairment is discussed further under "Impairment of Goodwill, Property, Plant and Equipment, and Investments". Depreciation expense was similar despite a 9% decrease in ounces being sold. This is due to capital expenditures that have increased assets subject to depreciation. Production for 2006 is forecast to be lower than 2005, with improved recovery rates expected to be offset by lower grades.

2004 vs. 2003 Gold equivalent ounces produced declined by 14% as a result of the decision to defer production from the higher grade True North deposit until the second half of 2004, which resulted in lower ore grade and fewer tonnes of ore processed. The decrease in ore milled in 2004 was also the result of harder ore from the Fort Knox pit being processed through the mill for the first six months, compared with the blended ore from True North and Fort Knox for the full year in 2003. Revenue increased by 6% due to higher realized gold prices, despite fewer ounces being sold. The slight decrease in operating costs reflects the suspension of mining at True North for the latter half of 2004. This was partially offset by higher reagent costs and higher labour costs, as increased manpower was required to operate larger capacity mining equipment that was added to the fleet.

Paracatu (100% ownership and operator) — Brazil

	2005	2004[a]	2003[b]	2005 vs 2004 Change	2005 vs 2004 Change %	2004 vs 2003 Change	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)[c]	17,157	17,281	17,263	(124)	(1%)	18	0%
Tonnes processed (000's)[c]	16,945	17,342	16,891	(397)	(2%)	451	3%
Grade (grams/tonne)	0.42	0.44	0.40	(0.02)	(5%)	0.04	10%
Recovery (%)	78.2%	76.8%	76.8%	1.4%	2%	0.0%	0%
Gold equivalent ounces							
Produced	180,522	92,356	91,176	88,166	95%	1,180	1%
Sold	177,806	93,279	88,561	84,527	91%	4,718	5%
Financial data (in US$ millions)							
Revenues	$ 79.0	$ 38.2	$ 32.0	$ 40.8	107%	$ 6.2	19%
Cost of sales	50.0	20.6	18.0	29.4	143%	2.6	14%
Accretion and reclamation expense	0.7	0.5	0.5	0.2	40%	—	0%
Depreciation, depletion and amortization	17.0	9.5	9.8	7.5	79%	(0.3)	(3%)
	11.3	7.6	3.7	3.7	49%	3.9	105%
Exploration	5.2	—	—	5.2	nm	—	nm
Impairment charge	—	2.1	99.4	(2.1)	(100%)	(97.3)	(98%)
Other	0.7	2.6	1.1	(1.9)	(73%)	1.5	136%
Segment earnings (loss)	$ 5.4	$ 2.9	$ (96.8)	$ 2.5	86%	$ 99.7	nm

(a) 2004 and 2003 results reflect 49% ownership. The Company acquired the remaining 51% and became the mine operator on December 31, 2004.

(b) 2003 results are for the 11 months from February through December only.

(c) Tonnes mined/processed represent 100% of mine production.

The Company acquired a 49% ownership interest in the Paracatu open pit mine, located in the State of Minas Gerais, in the acquisition of TVX on January 31, 2003. On December 31, 2004, the Company completed the purchase of the remaining 51% of Paracatu from Rio Tinto.

2005 vs. 2004 Gold equivalent production attributable to Kinross' account increased by 95% between 2004 and 2005. The increase was due to the increase in Kinross' ownership of Paracatu from 49% in 2004 to 100% in 2005. On a 100% basis, gold equivalent production decreased by 4% year-over-year. The decrease was due to lower grade ore and the processing of fewer tonnes, partially offset by a higher recovery rate. Revenue increased by 107%, or approximately 1% on a 100% basis. Revenue, on 100% basis, increased despite fewer ounces being sold as a result of a higher realized gold price. Cost of sales during 2005 increased by 19% against 2004, on a 100% basis. The increase was due to increased energy and consumable costs, and an appreciation of the Brazilian real against the U.S. dollar, year-over-year, of approximately 20%. Depreciation decreased in 2005 by 12% against 2004, on a 100% basis, due to increases in the mine's reserves. Gold equivalent production in 2006 is expected to increase slightly from 2005 due to more tonnes being processed and a marginally higher recovery rate.

2004 vs. 2003 Gold equivalent production was slightly higher despite 12 months of production versus 11 months in the previous year. On a full year basis, the production was actually lower, which resulted primarily from lower tonnes processed. Grade was approximately 10% higher, while recovery rates were similar in both periods. Revenue increased by 19% due to a 5% increase in ounces sold and higher realized gold prices. Higher costs were the result of higher power prices, increased contracted service costs and a strengthening of the Brazilian real against the U.S. dollar of approximately 5%. As a result of additional reserve ounces, depreciation expense was 3% lower year-over-year, despite an increase in the number of ounces sold.

Round Mountain (50% ownership and operator) — USA

	2005	2004	2003[a]	2005 vs 2004 Change	2005 vs 2004 Change %	2004 vs 2003 Change	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)[b]	29,002	35,820	39,824	(6,818)	(19%)	(4,004)	(10%)
Tonnes processed (000's)[b]	61,696	67,065	52,636	(5,369)	(8%)	14,429	27%
Grade (grams/tonne)	0.64	0.55	0.61	0.09	16%	(0.06)	(10%)
Gold equivalent ounces							
Produced	373,947	387,785	364,271	(13,838)	(4%)	23,514	6%
Sold	367,581	375,421	363,273	(7,840)	(2%)	12,148	3%
Financial Data (in US$ millions)							
Revenues	$ 164.0	$ 154.1	$ 131.9	$ 9.9	6%	$ 22.2	17%
Cost of sales	93.7	82.3	74.9	11.4	14%	7.4	10%
Accretion and reclamation expense	1.8	1.9	1.6	(0.1)	(5%)	0.3	19%
Depreciation, depletion and amortization	39.5	43.3	45.0	(3.8)	(9%)	(1.7)	(4%)
	29.0	26.6	10.4	2.4	9%	16.2	156%
Exploration	2.4	0.8	2.1	1.6	200%	(1.3)	(62%)
Impairment charge	—	—	89.9	—	nm	(89.9)	nm
Segment earnings (loss)	$ 26.6	$ 25.8	$ (81.6)	$ 0.8	3%	$ 107.4	nm

(a) 2003 results are for the 11 months from February through December only.

(b) Tonnes mined/processed represent 100% of mine production.

(c) Due to the nature of heap leach operations recovery rates cannot be accurately measured on an annual basis.

The Company acquired its ownership interest in the Round Mountain open pit mine, located in Nye County, Nevada, in the acquisition of Echo Bay on January 31, 2003.

2005 vs. 2004 Production was 4% lower in 2005 than in the prior year due to fewer tonnes delivered to the dedicated pads at a lower grade. Tonnes processed were lower during the year due to pit phasing and pit slope failures. Despite fewer ounces being sold, revenues were up by 6% as a result of higher realized gold prices. Cost of sales increased by 14% due to increased commodity related costs, higher costs on replacement parts, increased contractor costs on equipment maintenance and higher royalties and taxes due to a stronger gold price. Depreciation expense was 10% lower year-over-year due to fewer ounces being sold and the addition of reserve ounces. Production in 2006 is expected to be approximately 10% lower than in 2005. Expenditures on a new layback program began in 2005 in order to expand the pit. Ore from this layback is expected to benefit production in late 2006.

2004 vs. 2003 Revenue increased by 17% due to higher realized gold prices and an increase in gold equivalent ounces produced and sold. The increase in production and operating costs in 2004 was due to the inclusion of only 11 months of operations in 2003. Production and costs were also affected by the failure of an electrical transformer in the second half of 2003. As a result, the focus shifted to accelerating ore placement on the leach pads, to help offset milling and crushing limitations due to power constraints. Depreciation expense was 4% lower year-over-year, despite an increase in the number of ounces sold as a result of additional reserve ounces.

Porcupine (49% interest; Placer Dome[7] 51% and operator) — Canada

	2005	2004	2003	2005 vs 2004 Change	2005 vs 2004 Change %	2004 vs 2003 Change	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)[a]	5,443	13,752	7,146	(8,309)	(60%)	6,606	92%
Tonnes processed (000's)[a]	4,266	3,995	4,705	271	7%	(710)	(15%)
Grade (grams/tonne)	2.95	3.35	3.73	(0.40)	(12%)	(0.38)	(10%)
Recovery (%)	92.6%	91.8%	92.4%	0.8%	1%	(0.6%)	(1%)
Gold equivalent ounces							
Produced	183,976	193,799	223,960	(9,823)	(5%)	(30,161)	(13%)
Sold	179,585	191,296	225,001	(11,711)	(6%)	(33,705)	(15%)
Financial Data (in US$ millions)							
Revenues	$ 80.8	$ 78.8	$ 83.0	$ 2.0	3%	$ (4.2)	(5%)
Cost of sales	50.7	44.4	48.9	6.3	14%	(4.5)	(9%)
Accretion and reclamation expense	11.8	2.3	2.3	9.5	413%	—	0%
Depreciation, depletion and amortization	14.8	22.7	24.9	(7.9)	(35%)	(2.2)	(9%)
	3.5	9.4	6.9	(5.9)	(63%)	2.5	36%
Exploration	3.5	3.2	2.5	0.3	9%	0.7	28%
Other	0.9	0.5	2.9	0.4	80%	(2.4)	(83%)
Segment earnings (loss)	$ (0.9)	$ 5.7	$ 1.5	$ (6.6)	nm	$ 4.2	280%

(a) Tonnes mined/processed represent 100% of mine production.

On July 1, 2002, the Company formed the Porcupine Joint Venture with a wholly owned subsidiary of Placer Dome Inc. ("Placer Dome"). The formation of the joint venture combined the two companies' gold mining operations in the Porcupine district of Timmins, Ontario. The ownership of this unincorporated joint venture is 51% Placer Dome and 49% Kinross. In early 2006, Placer Dome was acquired by Barrick Gold Corporation.

2005 vs. 2004 Gold production in 2005 was 5% lower than 2004. Production was positively impacted by higher recoveries and increased mill throughput; however, this was offset by lower grade. Mill throughput was higher as a result of a mill expansion undertaken to ensure the harder ores originating from the Pamour pit could be processed through the Dome mill. Feed grade was lower due to localized highwall instability in the Dome pit, no production from the Dome underground mine and the commencement of mining at the Pamour pit which has a lower average grade than the Dome pit. Revenue increased by 3% despite a 6% drop in ounces sold as a result of higher realized gold prices. Operating costs were also up despite selling fewer ounces due to higher energy and commodity costs, and a 7% increase in value of the Canadian dollar against the U.S. dollar year-over-year. Increases during the year in the Company's portion of the estimated reclamation and remediation liability relating to areas of the joint venture no longer in production were expensed in the current year and have been included as part of accretion and reclamation expense. Depreciation expense decreased by 35% due to a 6% drop in ounces sold and a larger reserve base in 2005. Due to lower grades from the Pamour pit, production for 2006 is expected to be lower than 2005.

2004 vs. 2003 Revenue was down in 2004 due to fewer ounces being produced and sold, which was partially offset by higher gold prices. Production in 2004, as compared with 2003, was lower due to lower grade and fewer tonnes processed resulting from the planned closure of the Dome underground in late May 2004. Mining continued at the Dome open pit and Hoyle Pond underground mines. Costs, on a per ounce basis, were higher due to lower production, rising operating costs and a stronger Canadian dollar. Depreciation expense was down by 9%, largely due to the decrease in the number of ounces sold year-over-year.

(7) *In early 2006, Placer Dome was acquired by Barrick Gold Corporation.*

La Coipa (50% ownership; Placer Dome[8] 50% and operator) — Chile

				2005 vs 2004		2004 vs 2003	
	2005	2004	2003[a]	Change	Change %	Change	Change %
Operating Statistics							
Tonnes ore mined (000's)[b]	3,450	3,769	4,257	(319)	(8%)	(488)	(11%)
Tonnes processed (000's)[b]	6,496	6,562	5,928	(66)	(1%)	634	11%
Grade (grams/tonne)							
— Gold	1.01	1.10	1.20	(0.09)	(8%)	(0.10)	(8%)
— Silver	45.07	60.83	65.00	(15.76)	(26%)	(4.17)	(6%)
Recovery (%)							
— Gold	80.5%	81.2%	83.5%	(0.7%)	(1%)	(2.3%)	(3%)
— Silver	54.0%	57.5%	60.7%	(3.5%)	(6%)	(3.2%)	(5%)
Gold equivalent ounces							
Produced	125,991	150,887	144,125	(24,896)	(16%)	6,762	5%
Sold	131,051	149,785	138,733	(18,734)	(13%)	11,052	8%
Silver ounces produced (000's)	2,547	3,693	3,794	(1,146)	(31%)	(101)	(3%)
Financial Data (in US$ millions)							
Revenues	$ 60.3	$ 59.0	$ 51.5	$ 1.3	2%	$ 7.5	15%
Cost of sales	45.4	39.7	34.4	5.7	14%	5.3	15%
Accretion and reclamation expense	0.4	0.4	0.3	—	0%	0.1	33%
Depreciation, depletion and amortization	15.8	16.8	17.9	(1.0)	(6%)	(1.1)	(6%)
	(1.3)	2.1	(1.1)	(3.4)	nm	3.2	nm
Exploration	1.1	0.5	0.9	0.6	120%	(0.4)	(44%)
Impairment charge	—	—	68.8	—	nm	(68.8)	(100%)
Other	—	0.7	—	(0.7)	(100%)	0.7	nm
Segment earnings (loss)	$ (2.4)	$ 0.9	$ (70.8)	$ (3.3)	nm	$ 71.7	nm

(a) 2003 results are for the 11 months from February through December only.

(b) Tonnes mined/processed represent 100% of mine production.

The Company acquired its ownership interest in the La Coipa open pit mine in the acquisition of TVX on January 31, 2003.

2005 vs. 2004 Tonnes mined and milled, along with grade and recoveries were lower than 2004 due to changes in the mine plan caused by pit slope failures during the year. As a result, production was down 16% to 125,991 gold equivalent ounces from 150,887 equivalent ounces in 2004. Geotechnical studies are being conducted in order to assess the current situation. While gold equivalent ounces sold were 13% lower in 2005, due to lower production, a higher realized gold price resulted in a 2% increase in revenue. Operating costs were 14% higher year-over-year despite fewer ounces being sold. The increase was due to higher stripping costs, increased cost for power, fuel and other consumables, in addition to the strengthening of the Chilean peso, against the U.S. dollar, of approximately 9% year-over-year. Depreciation expense was 6% lower, largely due to fewer ounces being sold. There was no significant change during the year to the average ratio for conversion of silver into equivalent gold ounces. Production at La Coipa in 2006 is now expected to be higher than 2005, with an increase in the tonnes of ore processed partially offset by lower grade and recovery rates.

2004 vs. 2003 As budgeted, tonnes mined during the year were lower than 2003 due to an increase in the stripping required. Gold equivalent production was higher in 2004 due to the inclusion of only 11 months of production in 2003. On a full year basis, production was 4% lower due to lower grade and recovery rates, while tonnes processed were similar. Revenue increased as a result of higher realized gold prices and more ounces sold. Depreciation expense was lower, despite increased production as a result of an increased reserve base.

(8) *In early 2006, Placer Dome was acquired by Barrick Gold Corporation.*

Crixás (50% ownership; AngloGold Ashanti 50% and operator) — Brazil

	2005	2004	2003[a]	2005 vs 2004 Change	2005 vs 2004 Change %	2004 vs 2003 Change	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)[b]	755	746	684	9	1%	62	9%
Tonnes processed (000's)[b]	755	746	684	9	1%	62	9%
Grade (grams/tonne)	8.32	8.18	8.24	0.14	2%	(0.06)	(1%)
Recovery — Gold (%)	95.2%	95.4%	95.7%	(0.2%)	0%	(0.3%)	0%
Gold equivalent ounces							
Produced	96,212	93,540	86,698	2,672	3%	6,842	8%
Sold	93,309	93,265	87,665	44	0%	5,600	6%
Financial Data (in US$ millions)							
Revenues	$ 41.5	$ 38.2	$ 31.9	$ 3.3	9%	$ 6.3	20%
Cost of sales	14.1	12.2	10.3	1.9	16%	1.9	18%
Accretion and reclamation expense	0.1	0.1	0.1	—	0%	—	0%
Depreciation, depletion and amortization	12.3	12.8	12.3	(0.5)	(4%)	0.5	4%
	15.0	13.1	9.2	1.9	15%	3.9	42%
Exploration	0.3	0.3	0.5	—	0%	(0.2)	(40%)
Impairment charge	3.4	—	42.5	3.4	nm	(42.5)	(100%)
Segment earnings (loss)	$ 11.3	$ 12.8	$ (33.8)	$ (1.5)	(12%)	$ 46.6	nm

(a) 2003 results are for the 11 months from February through December only.

(b) Tonnes mined/processed represent 100% of mine production.

The Company acquired its ownership interest in the Crixás underground mine, located in the State of Goais, in the acquisition of TVX on January 31, 2003.

2005 vs. 2004 Gold production was 3% higher in 2005, compared with 2004, due to higher grade and increased mill throughput. Revenue increased by 9% as a result of a higher realized gold price. Costs of sales increased year-over-year by 16% due to the appreciation of the Brazilian real against the U.S. dollar, and higher energy, service and consumable costs. The average exchange rate of the Brazilian real against the U.S. dollar increased, year-over-year, by approximately 20%. Production for 2006 is expected to be similar to 2005, with lower grade being offset by an increased in the number of tonnes processed.

2004 vs. 2003 Revenue was 20% higher due to higher realized gold prices and increased production. Gold equivalent production was higher in 2004 due to the inclusion of only 11 months of production in 2003. On a full year basis, production was slightly lower. While grade and recovery rates were similar, operating costs increased due to higher labour and power costs and an approximate 5% appreciation of the Brazilian real against the U.S. dollar. Depreciation expense increased by 4%, largely due to the 6% increase in the number of ounces sold.

Musselwhite (31.93% ownership; Placer Dome[9] 68.07% and operator) — Canada

	2005	2004	2003[a]	2005 vs 2004 Change	2005 vs 2004 Change %	2004 vs 2003 Change	2004 vs 2003 Change %
Operating Statistics							
Tonnes ore mined (000's)[b]	1,390	2,340	1,229	(950)	(41%)	1,111	90%
Tonnes processed (000's)[b]	1,477	1,459	1,229	18	1%	230	19%
Grade (grams/tonne)	5.46	5.30	5.40	0.16	3%	(0.10)	(2%)
Recovery (%)	95.0%	95.8%	95.5%	(0.8%)	(1%)	0.3%	0%
Gold equivalent ounces							
Produced	79,916	76,640	64,978	3,276	4%	11,662	18%
Sold	79,919	78,430	61,333	1,489	2%	17,097	28%
Financial Data (in US$ millions)							
Revenues	$ 34.9	$ 32.1	$ 22.5	$ 2.8	9%	$ 9.6	43%
Cost of sales	26.4	21.1	15.9	5.3	25%	5.2	33%
Accretion and reclamation expense	0.1	0.1	0.1	—	0%	—	0%
Depreciation, depletion and amortization	12.5	12.5	11.2	—	0%	1.3	12%
	(4.1)	(1.6)	(4.7)	(2.5)	(156%)	3.1	66%
Exploration	1.6	2.0	2.1	(0.4)	(20%)	(0.1)	(5%)
Impairment charge	2.0	—	53.9	2.0	nm	(53.9)	(100%)
Other	—	0.2	0.2	(0.2)	(100%)	—	0%
Segment loss	$ (7.7)	$ (3.8)	$ (60.9)	$ (3.9)	(103%)	$ 57.1	94%

(a) 2003 results are for the 11 months from February through December only.

(b) Tonnes mined/processed represent 100% of mine production.

The Company acquired its 31.9% ownership interest in the Musselwhite underground mine, located in northwestern Ontario, Canada, in the acquisition of TVX on January 31, 2003.

2005 vs. 2004 Gold equivalent production increased by 4% in 2005 due to a 3% increase in grade year-over-year and an increase in tonnes processed. The increased grade was the result of increased tonnage from underground sources which replaced low grade stockpile feed. Revenue from metal sales increased by 9% due to a higher realized gold price and a 2% increase in the number of ounces sold. Cost of sales increased 25% due to the increased tonnage from higher-cost underground ore, increased underground development costs and higher energy and commodity costs. Cost of sales was also negatively impacted by a 7% appreciation of the Canadian dollar against the U.S. dollar year-over-year. Production in 2006 is expected to be approximately 4% lower due to lower grade ore.

2004 vs. 2003 Gold equivalent production increased by 18% in 2004 due to the inclusion of only 11 months in 2003, but also due to more ore being processed (increased by 19%), as a result of improved equipment utilization. With the increased production along with higher realized gold prices, revenue increased year-over-year by 43%. Operating costs were up 33% during the year as a result of increased mining activity along with increased labour and consumable costs, and a stronger Canadian dollar. Despite a 28% increase in ounces sold, depreciation expense increased only 12% due to additions to the mine's reserve base.

Other Operating Segments

Kubaka (98.1% ownership and operator) — Russia

Kinross acquired a 54.7% interest in the Kubaka open pit mine, located in the Magadan Oblast in far eastern Russia, in three transactions in 1998 and 1999. On February 28, 2003, the Company completed a step-up transaction to bring its ownership interest to the current 98.1%. Consideration for this further interest was $44.7 million.

(9) *In early 2006, Placer Dome was acquired by Barrick Gold Corporation.*

All mining activity at Kubaka underground and Birkachan was completed by June 2005, with only stockpiles processed in the second half of the year. Gold equivalent production increased by 13% in 2005 to 140,195 ounces. The increase was due to a 10% increase in mill throughput and 7% increase in grades. The change in mill throughput was largely the result of an 8-week scheduled shutdown in 2004. Revenue from metal sales increased by 27% due to more ounces being sold and a higher realized gold price. Costs of sales increased due to more tonnes processed and an increase in the number of ounces sold. Depreciation, depletion and amortization was up by 39% as the remaining unamortized development costs and property, plant and equipment was fully depreciated over the production during the year, following the decision to close the mine.

While there is no specific development plans for the Kubaka mine, there are still areas of interest that management will continue to evaluate. Closure of the mine is expected to take place largely during 2006.

Kettle River (100% ownership and operator) — USA

Kinross acquired Kettle River, located in the state of Washington, in the acquisition of Echo Bay on January 31, 2003. At the time of acquisition the mine was shutdown. The Company recommenced operations in December 2003. During 2005, gold equivalent production was 68,146 ounces, which was 30% lower than the 96,789 ounces produced in 2004. The drop in production was expected in 2005 due to fewer tonnes being mined and milled, as mining at Emanuel Creek was completed in November and the mill temporarily shutdown. Grade and recovery rates were also lower in 2005, compared with 2004. With the mine on care and maintenance beginning in November 2005, the remaining staff focused on the permitting and engineering of the Buckhorn mine. Production is expected to commence from the Buckhorn mine once the acquisition of Crown Resources and permitting is completed. During 2005, accretion and reclamation expense of $6.1 million was recorded as a result of an increase to the estimated reclamation and remediation liability relating to the operation.

Refugio (50% ownership and operator) — Chile

Kinross acquired its 50% interest in the Refugio open pit mine, located 120 kilometres northeast of Copiapo, Chile in 1998. In 2001, due to low gold prices and operational difficulties, mining activities were suspended and the operation was placed on care and maintenance. In late 2002, a multi-phase exploration program commenced and in 2003 it was determined that the mine would be recommissioned.

The mine went into commercial production in the fourth quarter of 2005 and achieved its average targeted production rate of 40,000 tonnes per day in November 2005. During the twelve months ended December 31, 2005, the mine processed 5.8 million tonnes of ore with an average grade of 0.83 grams per tonne and a recovery rate of 67%, to produce 30,580 ounces of gold to Kinross' account. The recommissioned mine is capable of producing approximately 115,000 to 130,000 ounces annually to Kinross' account and is forecast to produce 124,000 ounces to the Company's account in 2006.

Exploration and Business Development Expense

					2005 vs 2004		2004 vs 2003	
	2006 Forecast	2005	2004	2003	Change $	Change %	Change $	Change %
	(in US$ millions)							
Exploration and business development	$ 30.7	$ 26.6	$ 20.4	$ 24.3	$ 6.2	30%	$ (3.9)	(16%)

2005 Exploration expenditures in 2005 focused primarily on mine exploration. The two highest priorities were the resource expansion project at Paracatu and the pit expansion at Round Mountain. During 2005, the Company spent $5.2 million at Paracatu, while $2.4 million was spent at Round Mountain. Exploration expenditures at the other Company operated mines included $2.3 million at Kubaka, $0.6 million at Fort Knox and $0.4 million at Kettle River. The Company's share of exploration expenditures at non-operated joint venture properties included $3.5 million at Porcupine, $1.6 million at Musselwhite, $1.1 million at La Coipa and $0.3 million at Crixás.

Exploration and business development expenses in 2006 are forecast to be, in aggregate, $30.7 million, an increase of $4.1 million over 2005 levels, with a focus on minesite exploration.

2004 The focus of the Company's exploration program was to replace and increase reserves at existing mines and increase reserves at its development projects. Exploration expenditures at mines the Company operates totaled $14.4 million. This included $2.2 million at Kettle River, $0.6 million at Fort Knox, $0.8 million at Round Mountain and $0.4 million at Kubaka. The Company's share of exploration expenditures at joint venture properties operated by others included $3.2 million at Porcupine, $2.0 million at Musselwhite, $0.5 million at La Coipa and $0.3 million at Crixás.

2003 Exploration activities were focused principally at and around existing operating mines and at Kettle River and Refugio. During 2003, the Company spent $11.3 million on exploration at mines it operates including $2.7 million at Kettle River, $2.4 million at Fort Knox, $2.1 million at Round Mountain and $1.3 million in the Kubaka area. At the Company's joint venture properties operated by others, the Company's portion of exploration expenditures in 2003 totaled $6.0 million, including $2.5 million at Porcupine and $2.1 million at Musselwhite. Other exploration expenses totaled $3.8 million, of which $1.4 million was spent at Refugio.

General and Administrative

				2005 vs 2004		2004 vs 2003	
	2005	2004	2003	Change $	Change %	Change $	Change %
				(in US$ millions)			
General and administrative	$ 45.3	$ 36.4	$ 25.0	$ 8.9	24%	$ 11.4	46%

General and administrative costs include corporate office expenses related to the overall management of the business which are not part of direct mine operating costs. General and administrative costs include the costs incurred at corporate offices located in Toronto, Reno and Brasilia.

General and administrative costs have increased from $25.0 million in 2003 to $45.3 million in 2005, an increase of 81%. The increase was the result of a number of factors:

- Severance and related personnel costs increased significantly in 2004 and 2005.
- Legal and insurance costs have increased.
- During 2004 and 2005, costs were incurred related to the regulatory review of the Company's accounting for goodwill. In addition, since 2003, costs related to regulatory requirements have increased.
- In 2004, the Company began recording all stock-based compensation as an expense, which totaled $4.9 million and $2.9 million in 2005 and 2004, respectively.
- As a large portion of the Company's general and administrative expense is incurred in Canadian dollars, the weakening U.S. dollar has had an impact on general and administrative expense. The average exchange rate of the U.S. dollar against the Canadian dollar decreased by 8% between 2003 and 2004 and a further 7% between 2004 and 2005.

Impairment of Goodwill, Property, Plant and Equipment and Investments

Goodwill

Goodwill is not amortized; however, the Company evaluates, on at least an annual basis, its carrying value. An impairment test is required if the carrying amount of the reporting unit exceeds the sum of the undiscounted cash flows expected to result from the use and any residual value of the units. If it is determined that goodwill needs to be tested for impairment, an analysis is performed that compares the fair value of the reporting units against their carrying value. Goodwill is discussed further in the "The Carrying Value of Goodwill" in the Critical Accounting Policies and Estimates section below. During 2005, goodwill impairments totaling $8.7 million were recorded. The impairments related to Musselwhite ($2.0 million) and the Aquarius property ($6.7 million). The goodwill impairment relating to Musselwhile was the result of a reduction in the future value (future potential) ascribed to the property by management. The goodwill impairment at Aquarius followed management's decision to dispose of the property. Goodwill impairment charges of

$12.4 million and $394.4 million were recorded in 2004 and 2003, respectively. A breakdown of the impairment charges to goodwill is as follows:

	2005	2004	2003
		(in US$ millions)	
Goodwill			
Gurupi property — exploration project	$ —	$ 12.4	$ 26.2
Paracatu	—	—	99.4
Crixás	—	—	42.5
La Coipa	—	—	65.9
Round Mountain	—	—	87.2
Musselwhite	2.0	—	53.9
Aquarius	6.7	—	19.3
Total	$ 8.7	$ 12.4	$ 394.4

Property, Plant and Equipment and Investments

The following is a breakdown of the impairments recorded against the Company's property, plant and equipment and investments for the three years ended December 31, 2005:

	2005	2004	2003
		(in US$ millions)	
Property, plant and equipment			
Kubaka	$ —	$ 25.1	$ —
Gurupi property — exploration project	—	5.0	—
Paracatu	—	2.1	—
Fort Knox	141.8	—	—
Round Mountain	—	—	2.7
La Coipa	—	—	2.9
Lupin	—	7.9	4.4
New Britannia	—	1.3	—
Aquarius — exploration project	30.1	—	—
Norseman property — exploration project	—	3.5	—
E-Crete — aerated concrete producer	—	—	5.2
Reclamation projects	—	1.2	—
	171.9	46.1	15.2
Investments			
Loan receivable from joint venture partner	—	—	1.2
Crixás' taxes receivable	3.4	—	—
Marketable securities and long-term investments	0.7	1.4	0.7
	4.1	1.4	1.9
	$ 176.0	$ 47.5	$ 17.1

The impairment test of long lived assets is a test of recoverability. The carrying value of property, plant and equipment is discussed further in the "The Carrying Value of Operating Mines, Mineral Rights, Development Properties and Other" in the Critical Accounting Policies and Estimates section below. In conducting the impairment analysis for 2005, the Company utilized the same methodology as 2004 and 2003, using nominal prices and cost assumptions, reflecting inflation and currency impacts. The valuation was conducted by an independent valuator. The gold price assumptions were based on a forecast from an independent external research firm, as well as other external market data.

In the fourth quarter of 2005, an impairment charge of $141.8 million was recorded at Fort Knox. During the year a strategic review was conducted on the Fort Knox operation. The review was done in light of higher electricity and fuel costs, the metallurgical performance at True North and slope stability issues at the southwest wall of the pit. As a result of

the review, the True North and Gil deposits were reclassified from reserves to resources, the Company decided to withdraw from the Ryan Lode project, which previously had been included in reserves, and design changes to the Fort Knox pit were made. All these changes contributed to the write-down.

The strategic review determined that at a gold price of $450 per ounce it would be profitable to include the resources in the Fort Knox life of mine plan, to be mined after the depletion of the initial pit and partially through heap leach. The heap leach is presently being tested with favourable result.

In the fourth quarter of 2005, following the determination that a tax receivable was unrecoverable at the Crixás mine, an impairment charge of $3.4 million was recorded. During the third quarter of 2005, following the Company's decision to dispose of the Aquarius exploration property, an impairment charge of $30.1 million was recorded against property, plant and equipment (along with $6.7 million against goodwill).

In 2004, impairment losses of $46.1 million were recorded against the carrying value of long-lived assets at various operations, along with an impairment loss of $1.4 million recorded against investments for a total of $47.5 million. An impairment loss of $25.1 million was recorded at the Company's Kubaka operation following the decision not to proceed with the development of the Tsokol vein located near the Kubaka mill. At Lupin, a charge of $7.9 million was recorded, as the mine was scheduled for reclamation in 2005. An impairment charge of $5.0 million was recorded at Gurupi on its long-lived assets, in addition to the impairment loss against goodwill. An impairment loss of $3.5 million was recorded against the carrying value of the Norseman property in Australia, as the decision was made by the Company to dispose of the property. Impairment losses were also recorded at Paracatu ($2.1 million), New Britannia ($1.3 million) and the Delamar reclamation property ($1.2 million).

For the year ended December 31, 2003, following a comprehensive review of its properties, Kinross determined that the fair value of Round Mountain, La Coipa, Lupin and E-Crete, a producer of aerated concrete located in Phoenix, Arizona, was less than net book value. Accordingly, Kinross recorded a $15.2 million impairment charge in relation to these properties. In addition, Kinross recorded an impairment to investments of $1.9 million.

For segment reporting purposes, New Britannia, Lupin, E-Crete, the Aquarius exploration property and the Norseman exploration property are included in Corporate and other, while Kubaka is classified as part of Other operations.

Gain on Disposal of Assets

During 2005, as part of Kinross' strategic review, the Company disposed of certain assets considered to be non-core. In 2005, Kinross realized a net gain on the disposal of assets totaling $6.0 million, of which $4.7 million related to the sale of a portion of its interest in Kinross Forrest Ltd. The investment in Kinross Forrest Ltd. is discussed further under "Related Party Transactions". Kinross also sold its position in Cumberland Resources Ltd. and various other equity holdings. The Company realized a net gain on the disposals of assets of $1.7 million and $29.5 million in 2004 and 2003, respectively. The gains were largely on the sale of investments in junior mining companies.

Other Expense — Net

				2005 vs 2004		2004 vs 2003	
	2005	2004	2003	Change $	Change %	Change $	Change %
				(in US$ millions)			
Interest and other income	$ 7.0	$ 9.1	$ 12.3	$ (2.1)	(23%)	$ (3.2)	(26%)
Non-hedge derivative gain (loss)	(3.2)	3.1	0.4	(6.3)	nm	2.7	675%
Interest expense on long-term liabilities	(6.8)	(5.1)	(11.6)	(1.7)	(33%)	6.5	56%
Foreign exchange loss	(14.0)	(13.3)	(34.0)	(0.7)	(5%)	20.7	61%
Loss on redemption of convertible debentures	—	—	(16.6)	—	0%	16.6	100%
Other expense — net	$ (17.0)	$ (6.2)	$ (49.5)	$ (10.8)	(174%)	$ 43.3	87%

Other expense was $17.0 million in 2005, compared with $6.2 million in 2004 and $49.5 million in 2003. Interest income was lower in 2005 due to lower average cash balances throughout the year. A foreign exchange loss of $14.0 million was recorded in 2005, compared with a loss of $13.3 million in 2004 and $34.0 million in 2003. The loss on

foreign exchange was largely the result of the impact of strengthening foreign currencies on net monetary liabilities in the Company's non-U.S. operations. Interest expense increased in 2005, compared with the prior two years, as the Company's debt has increased. During 2005, the Company capitalized interest totaling $1.8 million relating to capital expenditures at Fort Knox, the Porcupine Joint Venture, Refugio and Round Mountain. Interest and other income is expected to be lower in 2006 due to significantly lower cash balances, while interest expense is expected to increase as a result of higher debt levels and rising interest rates.

Kinross maintains a no-hedging policy on gold revenues. However, the Company does, from time to time, generate premiums through the sale of gold call options. Non-hedge derivative gains and losses relate to the mark-to-market movement on these gold call options. During 2005, the liability on call options sold increased by $3.2 million. At December 31, 2005, the Company has 255,000 ounces of sold call options outstanding at an average strike price of $522 per ounce, which had an unrealized loss of $6.2 million. Gains or losses on mark-to-market adjustments are reflected in the period incurred.

Income and Mining Tax Expense

Kinross is subject to tax in various jurisdictions including Canada, the United States, Brazil, Chile and Russia. The Company recorded recoveries of $12.9 million and $11.5 million and a provision of $4.1 million for income and mining taxes in 2005, 2004 and 2003 on losses before tax and other items of $228.2 million, $74.1 million and $469.1 million, respectively. Kinross' combined federal and provincial statutory tax rate was 34% for 2005 and 39% for both 2004 and 2003. There are a number of factors that can significantly impact the Company's effective tax rate including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of tax assets, mining allowance, foreign currency exchange rate movements, changes in tax laws and the impact of specific transactions and assessments. A reconciliation of the Company's statutory rate to the actual provision is provided in Note 17 to the consolidated financial statements.

Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, as discussed above, it is expected that the Company's effective tax rate will continue to fluctuate in future periods.

Related Party Transactions

During 2004, the Company entered into a shareholders' agreement providing for the incorporation of Kinross Forrest Ltd. ("KF Ltd."). KF Ltd. is incorporated under the laws of the Territory of the British Virgin Islands and is a party to a joint venture with La Générale des Carrières et des Mines, a Congolese state-owned mining enterprise. The joint venture was formed for the purpose of exploiting the Kamoto Copper Mine located in the Democratic Republic of Congo. Upon incorporation, the Company held 35% of the shares of KF Ltd., a company controlled by Art Ditto, a former director and officer of the Company, held 25% and 40% was held by an unrelated third party. Mr. Ditto paid the Company his share of the expenses incurred in the amount of $0.3 million.

During 2005, the Company agreed to sell 23.33% of the shares of KF Ltd. to Balloch Resources Ltd. ("Balloch") for consideration of $4.7 million. Based on an original cost of less than $0.1 million, the Company recorded a gain on sale of $4.7 million. In addition, the Company and Balloch signed an agreement giving Balloch an option to purchase Kinross' remaining 11.67% interest in KF Ltd. Art Ditto owns a 17.1% interest in the outstanding common shares of Balloch and, following its purchase of the interest in KF Ltd., was appointed the president and Chief Executive Officer of Balloch. Mr. Robert Buchan, a former officer and director of the Company, is the non-executive Chairman of Balloch. On November 30, 2005, Balloch changed its name to Katanga Mining Ltd. The option agreement has also been amended to fix the number of Katanga Mining Ltd. shares that can be exchanged for Kinross' remaining interest in KF Ltd.

7. Liquidity and Capital Resources

The following table summarizes Kinross' cash flow activity for the three years ended December 31, 2005:

				2005 vs 2004		2004 vs 2003	
	2005	2004	2003	Change $	Change %	Change $	Change %
			(in US$ millions)				
Cash flow:							
Provided from operating activities	$ 133.7	$ 161.2	$ 83.0	$ (27.5)	(17%)	$ 78.2	94%
Used in investing activities	(121.1)	(442.3)	(50.1)	321.2	73%	(392.2)	(783%)
Provided by financing acitvities	35.7	82.6	34.6	(46.9)	(57%)	48.0	139%
Effect of exchange rate changes on cash	1.4	0.6	7.7	0.8	133%	(7.1)	(92%)
Increase (decrease) in cash and cash equivalents	49.7	(197.9)	75.2	247.6	nm	(273.1)	nm
Cash and cash equivalents:							
Beginning of year	47.9	245.8	170.6	(197.9)	(81%)	75.2	44%
End of year	$ 97.6	$ 47.9	$ 245.8	$ 49.7	104%	$ (197.9)	(81%)

Operating Activities

Cash flow provided from operating activities decreased from $161.2 million to $133.7 million between 2004 and 2005. The decrease was largely the result of fewer ounces sold combined with increased operating costs, partially offset by higher realized gold prices. In addition, cash provided by changes in operating assets and liabilities decreased by $15.1 million to $13.4 million.

Cash flow provided from operating activities increased by $78.2 million in 2004 to $161.2 million. The increase was largely the result of cash provided by changes in operating assets and liabilities of $28.5 million in 2004, versus a use of cash related to changes in operating assets and liabilities of $42.9 million in 2003. Also, impacting operating cash flow was higher realized gold prices, which was partially offset by higher operating costs.

Investing Activities

Net cash used in investing activities was $121.1 million in 2005, compared with $442.3 million in 2004 and $50.1 million in 2003. The decrease in 2005 was largely related to the $261.2 million used in the 2004 acquisition of the remaining 51% of the Paracatu mine. In 2005, additions to property, plant and equipment were $142.4 million, compared with $169.5 million in 2004 and $73.4 million in 2003. The following schedule provides a breakdown by segment of the capital expenditures:

				2005 vs 2004		2004 vs 2003	
	2005	2004	2003[(a)]	Change $	Change %	Change $	Change %
			(in US$ millions)				
Operating Segments							
Fort Knox	$ 44.6	$ 58.7	$ 26.5	$ (14.1)	(24%)	$ 32.2	122%
Paracatu	21.3	5.8	5.2	15.5	267%	0.6	12%
Round Mountain	5.9	8.8	5.7	(2.9)	(33%)	3.1	54%
Porcupine Joint Venture	24.7	24.5	8.3	0.2	1%	16.2	195%
La Coipa	4.9	1.0	0.5	3.9	390%	0.5	100%
Crixás	6.2	3.6	3.2	2.6	72%	0.4	13%
Musselwhite	5.7	3.9	2.7	1.8	46%	1.2	44%
Other operations	28.1	62.0	12.6	(33.9)	(55%)	49.4	392%
Corporate & other	1.0	1.2	8.7	(0.2)	(17%)	(7.5)	(86%)
Total	$ 142.4	$ 169.5	$ 73.4	$ (27.1)	(16%)	$ 96.1	131%

(a) 2003 results include TVX and Echo Bay properties for 11 months only (February through December).

Capital expenditures during 2005 included costs related to accessing phase five and phase six ore zones at Fort Knox, development of the Pamour pit at the Porcupine Joint Venture, mine and mill expansion costs at Paracatu, and continuing recommissioning costs at Refugio.

During 2004, the major focus of the Company's program included expenditures at Fort Knox on the tailings dam, equipment and mine development, recommissioning of Refugio and development of the Pamour pit at the Porcupine joint venture.

Capital expenditures in 2003 included approximately $28 million spent on additions to the mines added pursuant to the TVX/Echo Bay acquisition, including $9.4 million in preparation for the reactivation of the Kettle River operation. Expenditures at the Fort Knox mine included equipment purchases and rebuilds, and the drilling of pit-dewatering wells.

During 2005, net cash of $2.9 million was provided on long-term investments and other assets, compared with a use of $11.8 million in 2004 and net proceeds of $57.2 million in 2003. The net proceeds in 2003 were generated largely on the sale of equity investments, which resulted in a gain of $29.5 million. At December 31, 2005, Kinross held long-term investments in resource companies with a book value of $21.2 million and a market value of $27.7 million.

Financing Activities

Net cash provided by financing activities during 2005 was $35.7 million, compared with $82.6 million in 2004 and $34.6 million in 2003. During 2005, cash from financing activities was primarily from the issuance of debt. There was a net increase to the LIBOR loan of $35.0 million under the corporate credit facility and $5.5 million was drawn down on a $6.0 million credit facility for the Refugio mine. During the fourth quarter of 2005, the Company paid the remaining $2.7 million outstanding on Kubaka's outstanding project financing debt from the European Bank for Reconstruction and Development.

In December 2004, $105.0 million was drawn down as a LIBOR loan on the corporate credit facility, which helped fund the purchase of the remaining 51% interest in Paracatu. During the first quarter of 2004, the Company repaid the Industrial Revenue Bonds of $25.0 million owing to the Alaska Industrial Development and Export Authority. The repurchase of common shares resulting from a share consolidation followed by an immediate deconsolidation required the use of $11.8 million. The Company decided to undertake this action to eliminate the large number of shareholders who held less than 100 shares.

The Company had two major equity issues during 2003. On August 28, 2003, Kinross issued 23.0 million common shares for net proceeds of $145.9 million. The net proceeds from the offering were used to redeem the outstanding 5.5% convertible unsecured subordinated debentures. The principal amount of the convertible debentures was $144.8 million. The convertible debentures were redeemed on September 29, 2003. On November 14, 2003, Kinross issued 6.7 million common shares, realizing proceeds of $34.9 million, upon the exercise of Echo Bay warrants. In addition to the redemption of the convertible debentures, the Company also repaid other long-term debt of $10.5 million during 2003.

No dividends were declared or paid to the holders of the convertible preferred shares of Kinam Gold Inc., a subsidiary of the Company, in 2005, 2004, or 2003.

As of March 27, 2006, there were 346.5 million common shares of the Company issued and outstanding. In addition, at the same date, the Company had 2.3 million share purchase options outstanding under its share option plan, 0.4 million restricted share rights under its restricted share plan and 8.3 million common share purchase warrants outstanding.

Balance Sheet

At December 31, 2005, Kinross had cash and cash equivalents of $97.6 million, an increase of $49.7 million over the prior year end. The Company's net debt position (long-term debt less cash and cash equivalents) decreased from $75.0 million at December 31, 2004 to $61.7 million at the end of 2005. The decrease largely represents the net of cash flow provided from operating activities less cash used in investing activities. Non-cash working capital (current assets less cash and cash equivalents and restricted cash) decreased from $154.3 million at December 31, 2004 to $143.0 million at the end of 2005.

The decrease in property, plant and equipment in 2005 of $179.4 million was largely due to the impairment charge of $171.9 million during the year. In addition, depreciation, depletion and amortization expense of $167.7 million more than offset additions of $142.4 million.

At December 31, 2005, Kinross' estimated reclamation and remediation obligation was $175.9 million, compared with $131.7 million at the end of 2004. During 2005, reclamation expenditures totaled $24.0 million. The net increase of $44.2 million is the result of higher cost assumptions used in determining the estimate liabilities along with the ongoing development and expansion at various operations. At producing mines, increases to estimated reclamation and remediation costs are recorded as an adjustment to the corresponding asset carrying amount. At closed mines, changes to estimates are charged directly to earnings. In 2005, accretion and reclamation expense of $56.0 million included $46.0 million related to increased cost estimates at mines no longer in production.

Credit Facilities

In December 2004, the Company replaced a $125 million credit facility with a new three-year $200 million revolving credit facility. The Company borrowed $105.0 million under the facility to satisfy a portion of the cost to purchase the remaining 51% interest in the Paracatu mine. The credit agreement allowed for the limit to be increased to $300 million. In February 2005, the limit was increased by $15 million, which the Company drew down on as a LIBOR loan for working capital purposes. In March 2005, the limit was increased by $10 million to allow for the issue of additional letters of credit. In April 2005, the outstanding limit was increased to $295 million and the maturity date extended to April 30, 2008. Draw downs on the credit facility can be in U.S. or Canadian dollars and allows for up to 70% of the outstanding limit to be drawn in gold. Upon each of the first two anniversaries of the facility, with the lenders consent, the Company may extend the maturity of the facility by one year. A total of ten banks have participated in the facility. The facility also provides credit support for letters of credit issued to satisfy financial assurance requirements, primarily associated with reclamation related activities.

The following table outlines the credit facility utilization as at December 31:

	2005	2004
	(in US$ millions)	
Credit facility limit	$ 295.0	$ 200.0
LIBOR loan	(140.0)	(105.0)
Letters of credit	(117.6)	(94.9)
Credit facility availability as at December 31,	$ 37.4	$ 0.1

Obligations under the facility are secured by the assets of the Fort Knox mine as well as by a pledge of shares in various wholly owned subsidiaries. Pricing is dependent upon the ratio of the Company's net debt to operating cash flow. Assuming the Company maintains a leverage ratio less than 1.25, interest charges are as follows:

Type of Credit	Interest rates in credit facility
Dollar based LIBOR loan	LIBOR plus 1.00%
Letters of credit	1.00%
Bullion loan	Gold lease rate plus 1.25%
Standby fee applicable to unused availability	0.25%

The credit facility contains various covenants that include limits on indebtedness, distributions, asset sales and liens. Significant financial covenants include a minimum tangible net worth of $727.9 million
(2004 — $727.9 million), an interest coverage ratio of 4.5:1.0, net debt to operating cash flow of 3.0:1.0 and minimum proven and probable reserves of 6.0 million gold equivalent ounces. The Company was in compliance with all covenants as at December 31, 2005.

During 2005, the Company agreed to establish a method of funding additional cash calls from the Refugio mine rather than cash calling the joint venture partner, Bema Gold Corporation. ScotiaBank Sud Americano extended a $12.0 million credit facility to the Chilean company that owns the Refugio mine, Compania Minera Maricunga ("CMM"), of which Kinross owns 50%. Funds drawn on the facility are in the form of one-year promissory notes and bear an interest rate of LIBOR plus 1.24%. As at December 31, 2005, CMM has drawn $11.0 million on this facility. Based on Kinross 50% ownership in CMM, $5.5 million is included on the Company's financial statements, as a current portion of long-term debt. The Company is the guarantor of the agreement.

At December 31, 2005, in addition to the $145.5 million borrowed under the corporate and Refugio credit facilities, the Company had capital leases of $13.8 million, for total long-term debt of $159.3 million. Capital lease payments of $3.9 million and the repayment of the $5.5 million drawn down on the Refugio credit facility are expected to take place in 2006.

Liquidity Outlook

The three major uses of cash in 2006 (compared with 2005), outside of operating activities and general and administrative costs, are expected to be:

	2005	2006
	(in US$ millions)	
Site restoration	$ 24.0	$ 36.3
Exploration and business development expense	26.6	30.7
Property, plant and equipment additions	142.4	285.3
Total	$ 193.0	$ 352.3

The exploration costs are discussed further in the "Exploration and Business Development Expense" section under "Consolidated Financial Results".

The Company anticipates certain letters of credit will continue to be released as various closure properties proceed with final reclamation; however, the exact timing of these releases is uncertain. It is also difficult to predict the specific timing of reductions or further increases in LIBOR based borrowings. In addition, Kinross anticipates the need for additional bonding requirements.

At December 31, 2005, Kinross had cash and cash equivalents of $97.6 million and $37.4 million available on its credit facility. Based on the average gold price to-date in 2006[(8)], it is expected that the Company's existing cash balances, cash flow from operations and existing credit facilities will be sufficient to fund the exploration, capital and reclamation programs budgeted for 2006. The Company is reviewing financing alternatives and is in negotiations to secure additional debt financing for the Paracatu expansion project.

2006 Capital Additions

Kinross has an aggressive capital expansion program planned for 2006 with forecasted expenditures of $285 million. Major expenditures forecast for 2006 include:

- $121 million at Paracatu, including approximately $100 million related to the expansion project started in 2005, which is subject to board approval;
- $51 million at the Fort Knox mine, including the costs related to accessing the phase six ore zones;
- $37 million to be spent at the Buckhorn project in Washington State, which is subject to the completion of the Crown Resource transaction and permitting;
- $25 million at Round Mountain, which includes pit expansion and pad construction costs;
- $14 million at the Porcupine Joint Venture on underground development and Pamour construction; and
- $10 million at La Coipa, which includes capital development and water treatment facilities.

All amounts represent Kinross' proportionate share of planned expenditures.

2006 Reclamation Expenditures

Reclamation expenditures in 2006 are forecast to be $36.3 million. The Company's estimated expenditures include $7.8 million at Lupin, $2.9 million at Kubaka and $1.3 million at New Britannia. Concurrent reclamation is also scheduled at many of the operating mines. Reclamation and monitoring continues at the Company's Delamar, Haile and Mineral Hill sites.

(8) Average gold price from January 1 to March 27, 2006 has been $553 per ounce.

Contractual Obligations and Commitments

Kinross has entered into an agreement to acquire Crown Resources Corporation ("Crown") in exchange for the issuance of Kinross' common shares. Kinross will not issue fractional shares to the shareholders of Crown resulting in a small amount that will be paid in cash. This acquisition is discussed in the section entitled "Developments."

Table of Contractual Obligations

	Total	2006	2007	2008	2009	2010 and beyond
			(in US$ millions)			
Long-term debt obligations	$ 145.5	$ 5.5	$ —	$ 140.0	$ —	$ —
Capital lease obligations	13.8	3.9	2.9	3.0	3.9	0.1
Operating lease obligations	21.9	5.7	4.7	4.8	5.4	1.3
Purchase obligations	226.1	129.9	57.0	33.8	5.4	—
Reclamation and remediation obligations	211.4	31.4	34.0	14.6	16.7	114.7
Total	$ 613.6	$ 176.7	$ 99.0	$ 196.7	$ 31.7	$ 109.5

Financial Instruments

Kinross may manage its exposure to fluctuations in commodity prices and foreign exchange rates by entering into derivative financial instrument contracts in accordance with the formal risk management policies approved by its Board of Directors. Kinross' exposure with respect to foreign exchange is addressed under the section entitled "Risk Analysis — Foreign Currency Exchange Risk" and, with respect to commodities, in the section entitled "Risk Analysis — Commodity Price Risks."

8. Quarterly Information

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
Metal sales	$ 190.0	$ 181.1	$ 174.6	$ 179.8	$ 179.2	$ 174.6	$ 158.2	$ 154.8
Net earnings (loss) attributable to common shares	$ (154.3)	$ (44.4)	$ (16.4)	$ (0.9)	$ (88.0)	$ 5.5	$ 11.7	$ 7.7
Basic and diluted earnings (loss) per share	$ (0.45)	$ (0.13)	$ (0.05)	$ —	$ (0.25)	$ 0.02	$ 0.03	$ 0.02
Cash flow provided from operating activities	$ 23.8	$ 52.5	$ 30.6	$ 26.8	$ 57.9	$ 62.9	$ 25.4	$ 15.0

Disclosure Controls and Procedures and Internal Controls

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission (SEC), under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, Kinross' management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures (disclosure controls). This evaluation is done under the supervision of, and with the participation of, the President and Chief Executive Officer and the Chief Financial Officer.

As of the end of the period covered by this MD&A and accompanying audited financial statements, Kinross' management evaluated the effectiveness of its disclosure controls. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that Kinross' disclosure controls and procedures were effective.

During the process of restating the Company's 2003 and 2004 financial statements, management identified certain significant deficiencies relating to internal controls over financial reporting. These deficiencies were previously disclosed in the December 31, 2004 Form 40-F and are:

- The Company's ability to consistently record and reconcile financial information in a timely manner;
- Inconsistent inventory tracking and procedures at different operating location;

- Inadequate segregation of duties in particular areas;
- Adequacy of staffing in certain areas and in the training and experience of personal;
- Inadequate processes and procedures in the Company's financial statement review procedures; and
- Deficiencies in certain areas of the Company's technology systems.

The deficiencies have been discussed with the Audit Committee and management has initiated an action plan to address each of these areas. In addition, management is conducting a company-wide review of internal controls over financial reporting since those controls will be subject to an attestation report of the Company's independent registered public accounting firm for the 2006 fiscal year as mandated by U.S. SEC rules. Management has already taken steps to address some of these issues, including hiring additional staff in the internal accounting department. The Company will continue to address these issues throughout the remainder of 2006.

9. Critical Accounting Policies and Estimates

Kinross' accounting policies are described in Note 3 to the consolidated financial statements. The preparation of the Company's consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The following is a list of the accounting policies that the Company believes are critical, due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported:

- Purchase price allocation;
- Carrying value of goodwill;
- Carrying value of operating mines, mineral rights, development properties and other assets;
- Depreciation, depletion and amortization;
- Inventories;
- Reclamation and remediation obligations;
- Provision for income and mining taxes; and
- Contingencies.

Management has discussed the development and selection of the above critical accounting policies with the Audit Committee of the Board of Directors, and the Audit Committee has reviewed the disclosure relating to such policies in the MD&A.

Purchase Price Allocation

Business acquisitions are accounted for by the purchase method of accounting. Under this method, the purchase price is allocated to the assets acquired and the liabilities assumed based on fair value at the time of the acquisition. The excess purchase price over the fair value of identifiable assets and liabilities acquired is goodwill. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of property, plant and equipment acquired generally require a high degree of judgment and include estimates of mineral reserves acquired, future gold prices and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation. Future net earnings can be affected as a result of changes in future depreciation and depletion, asset impairment or goodwill impairment.

Carrying Value of Goodwill

At December 31, 2005, the carrying value of Kinross' goodwill was $321.2 million. The goodwill, as described in Note 5 to the consolidated financial statements, arose in connection with the Company's January 31, 2003 TVX/Echo Bay acquisition. The goodwill, which represented the excess of the purchase price over the fair value of identifiable net assets of TVX and Echo Bay as of January 31, 2003, totaled $736.7 million and was allocated to the acquired reporting units in a reasonable, supportable and consistent manner. Impairment losses to goodwill of $8.7 million, $12.4 million and $394.4 million were recorded for the years ended December 31, 2005, 2004 and 2003, respectively. At the time of the acquisition of TVX and Echo Bay, the goodwill was determined to represent:

1. The expected ability of the Company to increase its mineral reserves and resources based on its development of the identified exploration targets existing on the properties which were part of the acquisition;

2. The optionality (real option value associated with the portfolio of acquired mines as well as each individual mine) which relates to the Company's ability to make exploration decisions on the acquired properties and other properties based upon changes in gold prices, including the ability to develop additional, higher-cost reserves and to intensify efforts to develop the more promising acquired properties and reduce efforts at developing the less promising acquired properties when gold prices increase in the future; and

3. The going concern value of the Company's capacity to replace and augment reserves through completely new discoveries whose value is not reflected in any of the other valuations of existing mining assets.

Goodwill that represents the Company's ability to increase its mineral reserves and resources was allocated to the respective reporting units based on management estimates, which were corroborated by a three-year rolling ratio of value additions into the mineral reserves and resources. In attempting to increase reserves and resources beyond those identified at the time of the acquisition, the Company will have to make expenditures on exploration and development, which may be significant. Subject to any significant adverse changes in the Company's long-term view of gold prices and foreign exchange rates, the Company believes it has the ability to provide funding for this work. In addition to negative gold price and foreign exchange rate changes, Kinross faces further risks involved in realizing production beyond the acquired mineral reserves and resources. Exploration at the acquired reporting units will have to be successful for there not to be further goodwill carrying value issues.

The goodwill representing the optionality available to the Company was allocated pro-rata, based on the fair value of the reporting units. The realization of the optionality portion of goodwill is contingent upon the realized gold price exceeding the prices used to calculate the fair value of the identifiable net assets and the success of the Company in capitalizing on these higher gold prices, through the development of additional, higher-cost reserves. The realization of the optionality value is also dependent on successfully evaluating new information on the Company's properties and allocating resources between those properties in order to maximize future production and profitability. There is a great deal of uncertainty involved in making decisions about allocating resources. However, Kinross believes it has a management group that has the requisite skills, abilities and experience to respond appropriately to developments relating to the Company's various properties.

Goodwill is not amortized. However, Kinross tests for goodwill impairment at least annually, in the fourth quarter of its fiscal year. If a reporting unit contains goodwill, Kinross compares the estimated fair value of the entire unit with its carrying value (including goodwill). If the fair value equals or exceeds the carrying value, Kinross concludes that the unit's goodwill is not impaired. If the carrying value exceeds the fair value, Kinross estimates the fair values of all assets and liabilities in the reporting unit, and compares the net fair value amount of assets less liabilities to the estimated value of the whole unit. The difference between the estimated value of the unit and the net fair value amount represents the fair value of goodwill. If necessary, Kinross reduces the carrying amount of goodwill to that newly computed fair value.

The calculations involved in determining the fair values of the reporting units involve a number of assumptions that are subject to risks and uncertainty. These assumptions include, but are not limited to, future market prices of gold, foreign exchange rates, inflation rates, discount rates, tax rates, operating costs, capital expenditures and the discovery of additional mineral reserves.

While the Company believes that the approach used to calculate fair value for each reporting unit is appropriate, the Company also recognizes that the timing and future value of additions to proven and probable mineral reserves, as well as the gold price, are subject to potentially significant change from the current expectations. For example, at December 31, 2005, a 10% reduction in proven and probable mineral reserves, while keeping other variables constant, would not have

resulted in an additional impairment to goodwill. However, at December 31, 2005, a reduction in the gold price of 10% would have the impact of reducing the value of the goodwill by an additional $48.0 million, keeping other variables constant.

Carrying Value of Operating Mines, Mineral Rights, Development Properties and Other Assets

Kinross reviews and evaluates the carrying value of its operating mines and development properties for impairment on an annual basis, or earlier when events or changes in circumstances indicate that the carrying amounts of related assets or groups of assets might not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is measured and recorded. Future cash flows are based on estimated future recoverable mine production, expected sales prices (considering current and historical prices, price trends and related factors), production levels and costs, capital and reclamation costs, all based on detailed engineering life-of-mine plans. Future recoverable mine production is determined from proven and probable mineral reserves and measured, indicated and inferred mineral resources after taking into account losses during ore processing and treatment. Estimates of recoverable production from inferred mineral interests are risk adjusted based on management's relative confidence in converting such interests to proven and probable reserves. All long-lived assets at a particular operation are combined for purposes of estimating future cash flows. In the case of exploration-stage mineral interests associated with greenfields exploration potential, fair values are individually evaluated based primarily on recent transactions involving sales of similar properties. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. It is possible that changes in estimates with respect to the Company's mine plans could occur which may affect the expected recoverability of Kinross' investments in the carrying value of the assets.

These changes in estimates could include differences in estimated and actual costs of mining, differences between the actual gold price and price assumptions used in the estimation of mineral reserves and resources and differences in capital expenditure estimates from actual.

The reviews and evaluations completed for 2005, 2004, and 2003 determined that certain asset values had become impaired and charges of $176.0 million, $47.5 million and $17.1 million, respectively, were recorded. The components of the asset impairment charges are discussed in "Impairment of Goodwill, Property, Plant and Equipment and Investments" under the "Consolidated Financial Results" section.

Depreciation, Depletion and Amortization

Expenditures for new facilities or equipment and expenditures that extend the useful life of existing facilities or equipment are capitalized. Mobile and other equipment is depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment. Plant and other facilities, used in carrying out the mine operating plan, are amortized using the units-of-production ("UOP") method over the estimated life of the ore body based on recoverable ounces to be mined from estimated proven and probable mineral reserves.

Costs to develop new properties are capitalized as incurred, where it has been determined that a mineral property can be economically developed as a result of establishing proven and probable mineral reserves. At the Company's open pit mines, these costs include costs to further delineate the ore body and remove overburden to initially expose the ore body. At the Company's underground mines, these costs include the costs of building access ways, shaft sinking and access, lateral development, drift development, ramps and infrastructure development. All such costs are amortized using the UOP method based on recoverable ounces to be mined from proven and probable mineral reserves.

Major development costs incurred after the commencement of production are amortized using the UOP method based on recoverable ounces to be mined from estimated proven and probable mineral reserves.

The calculation of the UOP rate of amortization, and therefore the annual depreciation, depletion, and amortization expense, could be materially affected by changes in estimates. These changes in estimates could be a result of actual future production differing from current forecasts of future production based on proven and probable mineral reserves. These factors could include an expansion of proven and probable mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of proven and probable mineral reserves.

The calculation of straight-line amortization of intangible assets could be materially affected by changes in the estimated useful life and residual values. These changes could be a result of exploration activities and differences in gold and silver prices used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation, depletion, and amortization and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Inventories

Expenditures and depreciation, depletion, and amortization of assets incurred in the mining and processing activities that will result in future gold production are deferred and accumulated as ore in stockpiles, ore on leach pads and in-process inventories. These deferred amounts are carried at the lower of average cost or net realizable value ("NRV"). NRV is the difference between the estimated future gold price based on prevailing and long-term prices, less estimated costs to complete production into a saleable form. Write-downs of ore in stockpiles, ore on leach pads and inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term gold prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Stockpiles are comprised of coarse ore that has been extracted from the mine and is available for further processing. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on mining costs incurred up to the point of stockpiling the ore, including applicable depreciation, depletion, and amortization relating to mining operations. Costs are added to stockpiles based on the current mining cost per tonne and removed at the average costs per tonne. The Company's ore in stockpiles had a carrying value of $30.8 million at December 31, 2005.

Ore on leach pads represents ore that is placed on pads where it is permeated with a chemical solution that dissolves the gold contained in the ore. The resulting recovered solution, which is included in in-process inventory, is further processed in a plant where gold is recovered. Costs are attributed to the leach pads based on current mining costs, including applicable depreciation, depletion, and amortization relating to mining operations. Costs are removed from the leach pad as ounces are recovered in circuit at the plant based on the average cost per recoverable ounce of gold on the leach pad. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads (based on assay data) and a recovery percentage. Timing and ultimate recovery of gold contained on leach pads can vary significantly. Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the leach pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is terminated. The Company's ore on leach pads had a carrying value of $17.1 million at December 31, 2005.

In-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon in-pulp inventories. In-process material is measured based on assays of the material fed to the processing plants and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed to the processing plant which is attributable to the source material coming from the mines, stockpiles or leach pads plus the in-process conversion costs, including applicable depreciation relating to the process facilities, incurred to that point in the process. The Company's in-process inventory had a carrying value of $12.7 million at December 31, 2005.

The allocation of costs to ore in stockpiles, ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. A high degree of judgment is involved in estimating future costs, future production levels, proven and probable mineral reserve estimates, gold and silver prices and the ultimate estimated recovery (for ore on leach pads). There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories.

Reclamation and Remediation Obligations

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and, the Company believes over time, becoming more restrictive. Kinross has made, and intends to make in the future, expenditures to comply with such laws

and regulations. The Company records the estimated present value of reclamation liabilities in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The liability will be increased each period to reflect the interest element (accretion) reflected in its initial measurement at fair value, and will also be adjusted for changes in the estimate of the amount, timing and cost of the work to be carried out.

Future remediation costs for inactive mines are accrued based on management's best estimate at the end of each period of the undiscounted costs expected to be incurred at each site. Changes in estimates are reflected in earnings in the period an estimate is revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each mining operation of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Any such increase in future costs could materially impact the amounts charged to operations for reclamation and remediation. At December 31, 2005, the undiscounted future cost of reclamation and remediation obligations before inflation was estimated to be $211.4 million. The present value of estimated future cash outflows for reclamation and remediation obligations was $175.9 million and $131.7 million at December 31, 2005 and 2004, respectively.

Provision for Income and Mining Taxes

The Corporation recognizes the future tax benefit related to deferred income and resource tax assets and sets up a valuation allowance against any portion that it believes will, more likely than not, fail to be realized (see Note 17 to the consolidated financial statements). Assessing the recoverability of future income tax assets requires management to make significant estimates of future taxable income. Estimates of future taxable income are subject to changes as discussed under the section "Carrying Value of Operating Mines, Mineral Rights, Development Properties and Other Assets". To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the balance sheet date could be impacted. In addition, future changes in tax laws could limit the ability of the Corporation to obtain tax deductions in future periods from deferred income and resource tax assets.

10. Recent Pronouncements and Accounting Changes

Please refer to Note 4 to the December 31, 2005 consolidated financial statements.

11. Risk Analysis

The operations of Kinross are high-risk due to the nature of the operation, exploration, and development of mineral properties. Certain risk factors listed below are related to the mining industry in general while others are specific to Kinross. Included in the risk factors below are details on how Kinross seeks to mitigate these risks wherever possible. For additional discussion of risk factors please refer to the Company's Annual Information Form which is available on the Company's website *www.kinross.com* and on *www.sedar.com* or is available upon request from the Company.

Gold Price

The profitability of any gold mining operation in which Kinross has an interest will be significantly affected by changes in the market price of gold. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond Kinross' control. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold, including governmental reserves, and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold has fluctuated widely and future serious price declines could cause continued commercial production to be impractical. Depending on the price of gold, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in gold prices, revenues from metal sales were to fall below operating costs, production may be discontinued.

Nature of Mineral Exploration and Mining

The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into producing mines. Major expenditures are required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on properties in which Kinross has an interest will result in profitable commercial mining operations.

The operations of Kinross are subject to the hazards and risks normally incident to exploration, development and production of gold and silver, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of Kinross may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which it has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions, may be encountered in the drilling and removal of material. While Kinross may obtain insurance against certain risks, potential claims could exceed policy limits or could be excluded from coverage. There are also risks against which Kinross cannot or may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of Kinross and, potentially, its financial viability.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which include the particular attributes of the deposit, such as its size and grade, costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kinross not receiving an adequate return on its invested capital.

Kinross mitigates the likelihood and potential severity of these mining risks it encounters in its day-to-day operations through the application of high operating standards. In addition, Kinross reviews its insurance coverage at least annually to ensure the most complete and cost-effective coverage is obtained.

Environmental Risks

Kinross' mining and processing operations and exploration activities in Canada, the United States, Russia, Brazil, Chile, and other countries are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse impact on Kinross through increased costs, a reduction in levels of production and/or a delay or prevention of the development of new mining properties. Compliance with these laws and regulations requires significant expenditures and increases Kinross' mine development and operating costs.

In all jurisdictions, permits from various governmental authorities are necessary in order to engage in mining operations. Such permits relate to many aspects of mining operations, including maintenance of air, water and soil quality standards. In most jurisdictions, the requisite permits cannot be obtained prior to completion of an environmental impact statement and, in some cases, public consultation. Further, Kinross may be required to submit for government approval a reclamation plan and to pay for the reclamation of the mine site upon the completion of mining activities. At December 31, 2005, the liability for reclamation and remediation obligations on an undiscounted basis before inflation is estimated to be approximately $211.4 million based on information as of such date. Kinross mitigates this risk by performing certain reclamation activities concurrent with production. Planned spending on reclamation and remediation in 2006 is $36.3 million.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to Kinross' ownership of a property. To the extent Kinross is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available to it for business activities and could have a material adverse effect on Kinross. Should Kinross be unable to fully fund the cost of remedying an environmental problem, Kinross might be required to suspend

operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect. Kinross mitigates the likelihood and potential severity of these environmental risks it encounters in its day-to-day operations through the application of high operating standards.

Reserve Estimates

The reserve and resource figures are estimates, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations in the price of gold may render the mining of ore reserves uneconomical and require Kinross to take a write-down of an asset or to discontinue development or production. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore body or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

Proven and probable reserves at Kinross' mines and development projects were estimated as of December 31, 2005, based upon a gold price of $400 per ounce of gold. Prior to 2002, gold prices were significantly below these levels. Prolonged declines in the market price of gold may render reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could materially reduce Kinross' reserves. Should such reductions occur, material write-downs of Kinross' investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects and reduced income and cash flow.

There are numerous uncertainties inherent in estimating quantities of proven and probable gold reserves. The estimates in this document are based on various assumptions relating to gold prices and exchange rates during the expected life of production and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results, could result in a material downward or upward revision of current estimates.

Operations Outside of North America

Kinross has mining operations and carries out exploration and development activities outside of North America in Russia, Brazil, Chile and Zimbabwe. There is no assurance that future political and economic conditions in these countries will not result in those countries' governments adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, gold sales, environmental protection, labour relations, repatriation of income, and return of capital. Changes in any of these areas may affect both the ability of Kinross to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties for which it has obtained exploration, development, and operating rights to date. The possibility that a future government of these countries may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Kinross is subject to the considerations and risks of operating in Russia. The economy of the Russian Federation continues to display characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible outside of the country, extensive currency controls and high inflation. The prospects for future economic stability in the Russian Federation are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory and political developments.

Russian laws, licenses and permits have been in a state of change and new laws may be given a retroactive effect. It is also not unusual in the context of dispute resolution in Russia for parties to use the uncertainty in the Russian legal environment as leverage in business negotiations. In addition, Russian tax legislation is subject to varying interpretations and constant change. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activities of Kinross' Russian operations may not coincide with that of management. As a result, tax authorities may challenge transactions and Kinross' Russian operations may be assessed additional taxes, penalties and interest, which could be significant. The periods remain open to review by the tax authorities for three years. Kinross mitigates this risk through ongoing communications with the Russian regulators.

Kinross is subject to risks relating to an uncertain and unpredictable political and economic environment in Zimbabwe. Significant economic instability in Zimbabwe is expected to negatively impact the business environment and may lead to long-term negative changes in the approaches taken with respect to ownership of natural resources by foreign companies. In 2001, Kinross recorded a write-down of $11.8 million relating to Kinross' inability to manage this operation because of political turmoil creating inflationary pressure within Zimbabwe, difficulty in accessing foreign currency to pay for imported goods and services and civil unrest. Due to Kinross' continuing inability to control distributions from the operations in Zimbabwe, the Company discontinued consolidation of the results of this operation in 2002 and stopped reporting mining production in 2003.

In addition, the economies of Russia, Brazil, Chile and Zimbabwe differ significantly from the economies of Canada and the United States. Growth rates, inflation rates and interest rates of developing nations have been and are expected to be more volatile than those of western industrial countries.

Licenses and Permits

The operations of Kinross require licenses and permits from various governmental authorities. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that Kinross will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost. Kinross endeavors to be in compliance with these regulations at all times.

Title to Properties

The validity of mining claims which constitute most of Kinross' property holdings in Canada, the United States, Brazil, Chile, and Russia may, in certain cases, be uncertain and is subject to being contested. Kinross' titles, particularly title to undeveloped properties, may be defective.

Certain of Kinross' United States mineral rights consist of unpatented lode mining claims. Unpatented mining claims may be located on United States federal public lands open to appropriation, and may be either lode claims or placer claims depending upon the nature of the deposit within the claim. In addition, unpatented mill site claims, which may be used for processing operations or other activities ancillary to mining operations, may be located on federal public lands that are non-mineral in character. Unpatented mining claims and mill sites are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain and is always subject to challenges of third parties or contests by the federal government of the United States. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of United States federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. The General Mining Law of the United States, which governs mining claims and related activities on United States federal public lands, includes provisions for obtaining a patent, which is essentially equivalent to fee title, for an unpatented mining claim upon compliance with certain statutory requirements (including the discovery of a valuable mineral deposit).

Competition

The mineral exploration and mining business is competitive in all of its phases. Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical, and other resources than Kinross, in the search for and the acquisition of attractive mineral properties. The ability of Kinross to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that Kinross will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Joint Ventures

Certain of the operations in which Kinross has an interest are operated through joint ventures with other mining companies. Any failure of such other companies to meet their obligations to Kinross or to third parties could have a material adverse effect on the joint venture. In addition, Kinross may be unable to exert control over strategic decisions made in respect of such properties.

Interest Rate Fluctuations

Fluctuations in interest rates can affect Kinross' results of operations and cash flow. The Company's credit facilities are subject to variable interest rates. At December 31, 2005, $145.5 million had been drawn down on the facilities.

Disclosures About Market Risks

To determine its market risk sensitivities, Kinross uses an internally generated financial forecast that is sensitized to various gold prices, currency exchange rates, interest rates and energy prices. The variable with the greatest impact is the gold price, and Kinross prepares a base case scenario and then sensitizes it by a 10% increase and decrease in the gold price. For 2006, sensitivity to a 10% change in the gold price is $62.8 million on pre-tax earnings. Kinross' financial forecast covers the projected life of its mines. In each year, gold is produced according to the mine plan. Costs are estimated based on current production costs plus the impact of any major changes to the operation during its life. Quantitative disclosure of market risks is disclosed below.

Commodity Price Risks

Kinross' net income can vary significantly with fluctuations in the market price of gold. At various times, in response to market conditions, Kinross has entered into gold forward sales contracts, spot deferred forward sales contracts and written call options for some portion of expected future production in an attempt to mitigate the risk of adverse price fluctuations. Kinross is not subject to margin requirements on any of its hedging lines. Due to the increase in gold prices, Kinross made a decision in 2002 to continue to deliver into its existing financial instruments, thereby increasing its exposure to changes in gold prices.

While Kinross made the decision not to continue with a comprehensive gold hedging program, the Company, on occasion, may enter into forward sales contracts or similar instruments in a limited nature when deemed advantageous by management. As at December 31, 2005, Kinross had no forward sales contracts outstanding. However, as at December 31, 2005, the Company had sold 255,000 ounces of call options at an average strike price of $522 per ounce. Changes in the fair value of call options outstanding are recognized in the period incurred. Based on the year end gold price of $513 per ounce, a loss of $6.2 million was recognized in earnings in 2005. In addition, at December 31, 2005, Kinross held put options on 150,000 ounces. If the market price of gold remains above $250 per ounce through 2006 these put options will expire unexercised. Kinross does not include these financial instruments in testing for impairment of operating mines, mineral rights, and development properties.

Foreign Currency Exchange Risk

Kinross conducts the majority of its operations in the United States, Canada, Brazil, Chile and Russia. Currency fluctuations affect the cash flow that Kinross realizes from its operations as gold is sold in U.S. dollars, while production costs are incurred in U.S. and Canadian dollars, Brazilian reais, Chilean pesos and Russian rubles. Kinross' results are positively affected when the U.S. dollar strengthens against these foreign currencies and adversely affected when the U.S. dollar weakens against these foreign currencies. Where possible, Kinross' cash and cash equivalent balances are primarily held in U.S. dollars. Holdings denominated in other currencies are relatively insignificant. At December 31, 2005, the Company had currency forward contracts for 14.8 million reais during 2006 at an exchange rate of 2.47 reais to one U.S. dollar.

Chilean Pesos

Kinross has joint venture interests in the Refugio and La Coipa mines, both located in Chile. Kinross estimates a 10% change from a budgeted exchange rate of 525 pesos to one U.S. dollar could result in an approximate $2.8 million change in Kinross' operating earnings. In addition, a 10% change in the exchange rate could result in an approximate $0.8 million change in Kinross' capital expenditures.

Brazilian Reais

Kinross is a partner in the Críxás mine and, as of December 31, 2004, the 100% owner of the Paracatu mine, both located in Brazil. The Company has currency forward contracts for 14.8 million reais during 2006 at an exchange rate of 2.47 reais to one U.S. dollar. Including these forward contracts, Kinross estimates a 10% change from a budgeted exchange rate of 2.30 Brazilian reais to one U.S. dollar could result in an approximate $6.5 million change in Kinross'

operating earnings. In addition, Kinross has budgeted capital expenditures of 295.7 million Brazilian reais. A 10% change in the exchange rate could result in an approximate $12.6 million change in Kinross' capital expenditures.

Canadian Dollars

Kinross operates the Lupin mine and is a partner in the New Britannia, Musselwhite, and Porcupine joint ventures. As a result of these ownership interests and expenses incurred by the Canadian corporate office, Kinross has Canadian dollar denominated operating, exploration, and administrative expenses. The Company estimates a 10% change from a budgeted exchange rate of CDN $1.25 per U.S. dollar could result in an approximate $12.7 million change in Kinross' operating earnings. In addition, Kinross has budgeted capital and reclamation expenditures of CDN $41 million. A 10% change in the exchange rate could result in an approximate $3.4 million change in Kinross' capital and reclamation expenditures.

Russian Rubles

Kinross operates the Kubaka mine in Russia. Kinross estimates a 10% change from a budgeted exchange rate of 30 rubles to one U.S. dollar could result in an approximate $0.3 million change in Kinross' operating earnings.

Credit Risk

Credit risk relates to accounts receivable and derivative contracts and arises from the possibility that a counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for each counterparty based on the counterparty's credit rating. At December 31, 2005, the Company's gross credit exposure was $0.1 million. At December 31, 2004, the gross credit exposure was $34.6 million.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" 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 us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as silver, diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, Chile, Brazil or other countries in which we do or may carry on business in the future; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; the speculative nature of gold exploration and development, including the risks of obtaining necessary licenses and permits; and diminishing quantities or grades of reserves. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. We refer the readers to the Risk Analysis section of this MD&A and our most recent Annual Information Form and other filings with the securities regulators of Canada and the United States for more details of certain risks that may affect Kinross.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Management's responsibility for financial statements

The consolidated financial statements, the notes thereto and other financial information contained in the annual report are the responsibility of the management of Kinross Gold Corporation. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of Directors none of whom are employees or officers of the Company, meets with management as well as the external auditors to assure itself that management is properly fulfilling its financial reporting responsibilities to the Directors who approve the consolidated financial statements. The auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal controls and financial reporting.

The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year end, is the responsibility of management. In order to accomplish this responsibility, the Company maintains a system of internal accounting controls designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization and relevant and reliable financial information is produced.

The consolidated financial statements have been audited by KPMG LLP, the independent registered chartered accountants, in accordance with Canadian generally accepted auditing standards and standards of the Public Company Accounting Oversight Board (United States).

/s/ TYE W. BURT
Tye W. Burt
President and Chief Executive Officer

/s/ LARS-ERIC JOHANSSON
Lars-Eric Johansson
Executive Vice President, Finance
and Chief Financial Officer

Toronto, Canada
March 29, 2006

Report of Independent Registered Chartered Accountants

To the Shareholders of Kinross Gold Corporation

We have audited the consolidated balance sheet of Kinross Gold Corporation as at December 31, 2005 and the consolidated statement of operations, common shareholders' equity and cash flow for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States) and Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The consolidated financial statements as at December 31, 2004 and for the years ended December 31, 2004 and 2003, prior to the change in accounting for convertible debentures described in Note 2, were audited by other auditors, who expressed an opinion without reservation on those statements, in their report dated November 18, 2005 except as to Notes 2 and 25(f) which are as of February 8, 2006. We have audited the adjustments for the accounting for the convertible debentures in the December 31, 2004 and 2003 financial statements and in our opinion, such adjustments, in all material respects, are appropriate and have been properly applied.

"KPMG LLP"
CHARTERED ACCOUNTANTS

Toronto, Canada
March 29, 2006

Deloitte.

Report of Independent Registered Chartered Accountants

To the Shareholders of Kinross Gold Corporation

We have audited the consolidated balance sheets of Kinross Gold Corporation (the "Company") as at December 31, 2004 and the consolidated statements of operations, cash flows and common shareholders' equity for each of the years in the two-year period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Kinross Gold Corporation as at December 31, 2004 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2004 in accordance with Canadian generally accepted accounting principles.

Our previous report, dated November 18, 2005, on the consolidated balance sheets as at December 31, 2004 and the consolidated statements of operations, cash flows and common shareholders' equity for each of the years in the two-year period ended December 31, 2004, which were restated to reflect the changes described in note 3 to these financial statements, was withdrawn on December 23, 2005. Those financial statements have been further restated to reflect the changes described in note 2 to these consolidated financial statements.

The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion.

(Signed)
Deloitte & Touche LLP

Independent Registered Chartered Accountants
Toronto, Canada

November 18, 2005, except as to notes 2 and 25 (f) which are as of February 8, 2006

Comments by Independent Registered Chartered Accountants on Canada-United States of America Reporting Difference

The standards of the Public Company Accounting Oversight Board (United States) require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effect on the comparability of the Company's financial statements, such as the changes described in note 5 to the consolidated financial statements. Our report to the Shareholders, dated November 18, 2005, except as to notes 2 and 25 (f) which are as of February 8, 2006 is expressed in accordance with Canadian reporting standards which do not require a reference to such changes in accounting principles in the auditors' report when such changes are properly accounted for and adequately disclosed in the financial statements.

(Signed)
Deloitte & Touche LLP

Independent Registered Chartered Accountants
Toronto, Canada

November 18, 2005, except as to notes 2 and 25 (f) which are as of February 8, 2006

KINROSS GOLD CORPORATION

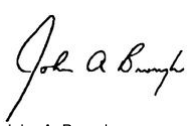
CONSOLIDATED BALANCE SHEETS

(expressed in millions of U.S. dollars, except share amounts)

		As at December 31	
		2005	2004
			Restated[(a)]
Assets			
Current assets			
Cash and cash equivalents	Note 6	**$ 97.6**	$ 47.9
Restricted cash		**1.3**	1.4
Short-term investments		**—**	5.7
Accounts receivable and other assets	Note 6	**27.8**	37.6
Inventories	Note 6	**115.2**	111.0
		241.9	203.6
Property, plant and equipment	Note 6	**1,064.7**	1,244.1
Goodwill	Notes 5 & 6	**321.2**	329.9
Long-term investments	Note 6	**21.2**	25.7
Deferred charges and other long-term assets	Note 6	**49.1**	30.9
		$ 1,698.1	$ 1,834.2
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	Note 6	**$ 132.2**	$ 146.4
Current portion of long-term debt	Note 9	**9.4**	6.0
Current portion of reclamation and remediation obligations	Note 10	**36.3**	23.6
		177.9	176.0
Long-term debt	Note 9	**149.9**	116.9
Reclamation and remediation obligations	Note 10	**139.6**	108.1
Future income and mining taxes	Note 17	**129.6**	120.3
Other long-term liabilities		**7.9**	9.5
Redeemable retractable preferred shares	Note 12	**2.7**	2.6
		607.6	533.4
Commitments and contingencies	Note 23		
Non-controlling interest		**0.3**	0.4
Convertible preferred shares of subsidiary company	Note 13	**14.1**	13.3
Common shareholders' equity			
Common share capital and common share purchase warrants	Note 14	**1,777.6**	1,775.8
Contributed surplus		**52.6**	49.4
Accumulated deficit		**(752.9)**	(536.9)
Cumulative translation adjustments		**(1.2)**	(1.2)
		1,076.1	1,287.1
		$ 1,698.1	$ 1,834.2
Common shares			
Authorized		**Unlimited**	Unlimited
Issued and outstanding		**345,417,147**	345,066,324

(a) See Note 2

Signed on behalf of the Board:



John A. Brough
Director



John M.H. Huxley
Director

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(expressed in millions of U.S. dollars, except per share amounts)

		For the years ended December 31		
		2005	2004	2003
				Restated[(a)]
Revenue				
Metal sales		**$ 725.5**	$ 666.8	$ 571.9
Operating costs and expenses				
Cost of sales (excludes accretion, depreciation, depletion and amortization)		**448.1**	402.4	362.0
Accretion and reclamation expense		**56.0**	21.4	9.0
Depreciation, depletion and amortization		**167.7**	170.1	172.7
		53.7	72.9	28.2
Other operating costs		**14.3**	25.8	16.5
Exploration and business development		**26.6**	20.4	24.3
General and administrative		**45.3**	36.4	25.0
Impairment charges:	Note 6			
Goodwill		**8.7**	12.4	394.4
Property, plant and equipment		**171.9**	46.1	15.2
Investments and other assets		**4.1**	1.4	1.9
Gain on disposal of assets		**(6.0)**	(1.7)	(29.5)
Operating loss		**(211.2)**	(67.9)	(419.6)
Other income (expense) — net	Note 6	**(17.0)**	(6.2)	(49.5)
Loss before taxes and other items		**(228.2)**	(74.1)	(469.1)
Income and mining taxes recovery (expense)	Note 17	**12.9**	11.5	(4.1)
Non-controlling interest		**0.1**	0.3	(0.2)
Dividends on convertible preferred shares of subsidiary		**(0.8)**	(0.8)	(0.8)
Net loss		**$ (216.0)**	$ (63.1)	$ (474.2)
Attributable to common shareholders:				
Net loss		**$ (216.0)**	$ (63.1)	$ (474.2)
Gain on redemption of equity component of convertible debentures		**—**	—	32.0
Net loss attributable to common shareholders		**$ (216.0)**	$ (63.1)	$ (442.2)
Loss per share				
Basic and diluted		**$ (0.63)**	$ (0.18)	$ (1.43)
Weighted average number of common shares outstanding (millions)				
Basic and diluted		**345.2**	346.0	308.6

(a) See Note 2

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in millions of U.S. dollars)

		For the years ended December 31		
		2005	2004	2003
				Restated[a]
Net inflow (outflow) of cash related to the following activities:				
Operating:				
Net loss		**$ (216.0)**	$ (63.1)	$ (474.2)
Adjustments to reconcile net loss to net cash provided from (used in) operating activities				
Depreciation, depletion and amortization		**167.7**	170.1	172.7
Impairment charges:				
Goodwill		**8.7**	12.4	394.4
Property, plant and equipment		**171.9**	46.1	15.2
Investments and other assets		**4.1**	1.4	1.9
Gain on disposal of assets		**(6.0)**	(1.7)	(29.5)
Future income and mining taxes		**(15.0)**	(29.3)	(12.7)
Deferred revenue recognized		**—**	(6.3)	(2.3)
Stock-based compensation expense		**3.1**	1.8	—
Unrealized foreign exchange losses and other		**1.8**	1.3	60.4
Changes in operating assets and liabilities:				
Accounts receivable and other assets		**2.7**	4.2	(1.7)
Inventories		**(9.9)**	(19.3)	(11.3)
Accounts payable and other current liabilities		**20.6**	43.6	(29.9)
Cash flow provided from operating activities		**133.7**	161.2	83.0
Investing:				
Additions to property, plant and equipment		**(142.4)**	(169.5)	(73.4)
Business acquisitions, net of cash acquired	Note 5	**—**	(261.2)	(81.9)
Proceeds on sale of marketable securities		**0.6**	0.7	4.6
Proceeds on sale of long-term investments and other assets		**19.8**	14.6	63.3
Additions to long-term investments and other assets		**(16.9)**	(26.4)	(6.1)
Proceeds from the sale of property, plant and equipment		**10.4**	1.5	5.9
Disposals of (additions to) short-term investments		**7.3**	(5.7)	—
Decrease in restricted cash		**0.1**	3.7	37.5
Cash flow used in investing activities		**(121.1)**	(442.3)	(50.1)
Financing:				
Repurchase of common shares		**—**	(11.8)	—
Issuance of common shares		**1.9**	3.1	187.9
Redemption of convertible debentures		**—**	—	(144.8)
Acquisition of convertible preferred shares of subsidiary company		**—**	—	(0.3)
Reduction of debt component of convertible debentures		**—**	—	2.3
Debt issue costs		**(0.5)**	(1.4)	—
Proceeds from issuance of debt		**50.5**	119.5	—
Repayment of debt		**(16.2)**	(26.8)	(10.5)
Cash flow provided from financing activities		**35.7**	82.6	34.6
Effect of exchange rate changes on cash		**1.4**	0.6	7.7
Increase (decrease) in cash and cash equivalents		**49.7**	(197.9)	75.2
Cash and cash equivalents, beginning of year		**47.9**	245.8	170.6
Cash and cash equivalents, end of year		**$ 97.6**	$ 47.9	$ 245.8

(a) See Note 2

The accompanying notes are an integral part of these consolidated financial statements

KINROSS GOLD CORPORATION

CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(expressed in millions of U.S. dollars)

		For the years ended December 31		
		2005	2004	2003
				Restated[a]
Common shares				
Balance at the beginning of the year		**$ 1,775.8**	$ 1,783.5	$ 1,058.5
Common shares issued		**—**	—	145.9
Common shares issued for acquisitions		**—**	—	1,334.0
Expiry of TVX and Echo Bay options and warrants		**(0.1)**	(1.1)	(0.6)
Reduction of legal stated capital		**—**	—	(761.4)
Common shares issued for stock-based awards		**1.9**	4.6	7.1
Conversion of redeemable retractable preferred shares		**—**	0.6	—
Repurchase of common shares		**—**	(11.8)	—
Balance at the end of the year		**$ 1,777.6**	$ 1,775.8	$ 1,783.5
Contributed surplus				
Balance at the beginning of the year		**$ 49.4**	$ 45.5	$ 12.9
Change in accounting policy	Note 2	**—**	—	—
Transfer of fair value of expired warrants		**—**	1.1	0.6
Transfer of fair value of exercised options		**0.1**	(0.2)	—
Redemption of convertible debentures		**—**	—	32.0
Stock-based compensation		**3.1**	1.8	—
Adoption of new accounting standards	Note 15	**—**	2.5	—
Redemption on share consolidation		**—**	(1.3)	—
Balance at the end of the year		**$ 52.6**	$ 49.4	$ 45.5
Accumulated deficit				
Balance at the beginning of the year		**$ (536.9)**	$ (471.3)	$ (773.0)
Change in accounting policy	Note 2	**—**	—	14.5
Adoption of new accounting standards		**—**	(2.5)	—
Reduction of legal stated capital		**—**	—	761.4
Net loss		**(216.0)**	(63.1)	(474.2)
Balance at the end of the year		**$ (752.9)**	$ (536.9)	$ (471.3)
Cumulative translation adjustments				
Balance at the beginning of the year	Note 3	**$ (1.2)**	$ (1.2)	$ (23.4)
Translation of self sustaining operations		**—**	—	22.2
Balance at the end of the year		**$ (1.2)**	$ (1.2)	$ (1.2)
Total common shareholders' equity		**$ 1,076.1**	$ 1,287.1	$ 1,356.5

(a) See Note 2

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS

Kinross Gold Corporation and its subsidiaries and joint ventures (collectively, "Kinross" or the "Company") are engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, extraction, processing and reclamation. Kinross' gold production and exploration activities are carried out principally in the United States, Canada, Russia, Brazil, and Chile. Gold, the Company's primary product, is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a limited amount of silver.

The operating cash flow and profitability of the Company are affected by various factors, including the amount of gold and silver produced and sold, the market prices of gold and silver, operating costs, interest rates, environmental costs and the level of exploration and other discretionary costs. Due to the global nature of the Company's operations, exposure also arises from fluctuations in foreign currency exchange rates, political risk and varying levels of taxation. While Kinross seeks to manage the level of risk associated with its business, many of the factors affecting these risks are beyond the Company's control.

The United States ("U.S.") dollar is the functional currency of measurement for all of the Company's operations and is the reporting currency of the Company's business; accordingly, these consolidated financial statements are expressed in U.S. dollars. The consolidated financial statements of Kinross have been prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP") which differ in certain material respects from those generally accepted in the United States ("U.S. GAAP"), as described in Note 21.

The following table sets forth the Company's ownership of its mining interests:

		December 31, 2005	December 31, 2004
Through majority owned subsidiaries			
Fort Knox		**100%**	100%
Paracatu[(a)]	Note 5	**100%**	100%
Kubaka	Note 5	**98%**	98%
Lupin	Note 5	**100%**	100%
Blanket[(b)]		**100%**	100%
Kettle River/Emanuel Creek	Note 5	**100%**	100%
As interests in unincorporated joint ventures			
Round Mountain	Note 5	**50%**	50%
Porcupine		**49%**	49%
Musselwhite	Note 5	**32%**	32%
New Britannia	Note 5	**50%**	50%
As interests in incorporated joint ventures			
La Coipa	Note 5	**50%**	50%
Crixás	Note 5	**50%**	50%
Refugio		**50%**	50%

(a) On December 31, 2004, the Company completed the purchase of the remaining 51% interest in the Paracatu mine (see Note 5).

(b) In light of the economic and political conditions and the negative impact of inflationary pressures in Zimbabwe, the Blanket mine was written down in 2001 and Kinross discontinued consolidation of the results of this operation in 2002 (see Note 3).

Joint Ventures

The Company conducts a substantial portion of its business through joint ventures under which the joint venture participants are bound by contractual arrangements establishing joint control over the ventures. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint ventures.

(a) Paracatu

Prior to December 31, 2004, the Company owned a 49% interest in Rio Paracatu Mineracao S.A. ("RPM"). RPM owns the Paracatu mine located next to the city of Paracatu, Brazil, 200 kilometers southeast of Brasilia, Brazil's capital city. Under the joint venture agreement, Rio Tinto Brasil, a subsidiary of Rio Tinto Plc. was the operator.

On December 31, 2004, the Company completed the purchase of the remaining 51% of RPM. Consequently, from December 31, 2004, the Company owns 100% of the property.

Prior to the Company's acquisition of the remaining 51% of RPM on December 31, 2004, the Board of Directors of RPM approved annual programs and budgets and authorized major transactions prior to execution by site management. The joint venture participants were entitled to their pro-rata share of profits in the form of distributions and were obliged to make their pro-rata share of contributions if required.

(b) Round Mountain

The Company owns a 50% interest in the Smoky Valley Common Operation joint venture, which owns the Round Mountain mine, located in Nye County, Nevada, U.S.A. Under the joint venture agreement, the Company is the operator of the Round Mountain mine.

The Management Committee of the joint venture represents the joint venture partners, authorizes annual programs and budgets and approves major transactions prior to execution by site management. The joint venture owners are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested.

(c) Porcupine

The Company owns a 49% interest in the Porcupine Joint Venture ("PJV"), which conducts mining, milling and exploration operations in the Timmins area of Ontario. Under the PJV agreement, Placer Dome (CLA) Limited is the operator. In early 2006, Placer Dome was acquired by Barrick Gold Corporation.

The Management Committee of the PJV approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The PJV participants are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested.

(d) Musselwhite

The Company owns a 31.9% interest in the Musselwhite joint venture. The mine is located 430 kilometers north of the city of Thunder Bay, in northwestern Ontario. Under the joint venture agreement, Placer Dome (CLA) Limited is the operator. In early 2006, Placer Dome was acquired by Barrick Gold Corporation.

The Management Committee of the joint venture approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested.

(e) New Britannia

The Company owns a 50% interest in the New Britannia joint venture. The mine is located in the town of Snow Lake in northern Manitoba, 700 kilometers north of Winnipeg. Under the joint venture agreement, the Company is the operator.

The Management Committee of the joint venture approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of production and are obliged to make their pro-rata share of contributions as requested. The Company has a loan receivable from its joint venture partner. Kinross sells all of the production from the mine and on an annual basis, is entitled to apply its partner's share of any operating surplus against the outstanding balance of the loan. Both partners are required to fund their pro-rata share of any annual operating deficit.

(f) La Coipa

The Company owns a 50% interest in Compania Minera Mantos de Oro ("MDO"), a Chilean contractual mining company. MDO owns the La Coipa mine, located in central Chile, 140 kilometers northeast of the city of Copiapo. Under the joint venture agreement, a wholly owned subsidiary of Placer Dome Inc. is the operator. In early 2006, Placer Dome was acquired by Barrick Gold Corporation.

The Board of Directors of MDO approves annual programs and budgets and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required.

(g) Crixás

The Company owns a 50% interest in Mineracao Serra Grande, S.A. ("MSG"). MSG owns the Crixás mine, located in central Brazil, 260 kilometers northeast of the city of Brasilia. Under the joint venture agreement, a wholly owned subsidiary of AngloGold Ashanti Limited is the operator.

The Board of Directors of MSG approves annual programs and budgets, and authorizes major transactions prior to execution by site management. The joint venture participants are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required.

(h) Refugio

The Company owns a 50% interest in Compania Minera Maricunga ("CMM"), a Chilean contractual mining company. CMM owns the Refugio mine located in central Chile. On June 1, 1999, the Company was appointed operator of the Refugio mine and continues in that capacity. The Company provides services to CMM in the planning and conduct of exploration, development and mining, and related operations with respect to the Refugio Project Properties and the Refugio mine.

The Board of Directors of CMM approves annual budgets, approves distributions and authorizes major transactions prior to execution by site management. The shareholders are entitled to their pro-rata share of profits in the form of distributions and are obliged to make their pro-rata share of contributions if required.

2. RESTATEMENT — EQUITY COMPONENT OF CONVERTIBLE DEBENTURES

In 2005, the Company adopted amendments to CICA Handbook Section 3860, "Financial Instruments — Disclosure and Presentation", ("Section 3860"), which requires obligations that may be settled, at the issuer's option, by a variable number of the issuer's own equity instruments be presented as liabilities. Any securities issued by an enterprise that give the issuer unrestricted rights to settle the principal amount of cash or the equivalent value of its own equity instruments will no longer be presented as equity. This change in accounting policy was applied retroactively and the consolidated financial statements for comparative purposes were restated. The adoption of this amendment had an impact on the accounting for the Company's convertible debentures which, as described in Note 11, were all redeemed in 2003. As a result of the 2003 redemption, adoption of the amendment impacted the 2003 statement of operations and the 2005 and 2004 balances in contributed surplus and accumulated deficit. Upon adoption of this standard, the following impacts were recognized:

- The opening accumulated deficit at January 1, 2003, has been decreased by $14.5 million.
- Other expense for the year ended December 31, 2003 increased by $36.5 million, as a result of a $6.5 million increase to interest expense, a $14.5 million increase to loss on foreign exchange and a $15.5 million increase to loss on redemption of convertible debentures. The gain on the redemption of equity component increased by $15.5 million and consequently, the increase in the equity component of convertible debentures of $6.5 million was eliminated.
- As of December 31, 2005 and 2004, the cumulative impact was an increase to accumulated deficit of $15.5 million and an increase to contributed surplus of $15.5 million.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries and its proportionate share of assets, liabilities, revenues and expenses of jointly controlled companies and ventures in which it has an interest. Effective December 31, 2001, the Company discontinued the consolidation of its wholly owned subsidiary in Zimbabwe, which operates the Blanket mine. Extreme inflationary pressures within Zimbabwe, civil unrest and currency export restrictions have prevented the Company from exercising control over the Zimbabwean subsidiary. As a result, Kinross accounts for its investment in the Blanket mine on a cost basis.

On January 28, 2003, the shareholders of the Company authorized the consolidation of one consolidated common share for every three old common shares of the issued and outstanding common shares of the Company. The consolidation was made effective on January 31, 2003. All share capital, share and option data in the accompanying consolidated financial statements and notes have been retroactively revised to reflect the share consolidation (see Note 14).

Principles of consolidation

The financial statements of entities, which are controlled by Kinross through voting equity interests, referred to as subsidiaries, are consolidated. Entities, which are jointly controlled, referred to as joint ventures, are proportionately consolidated. Variable Interest Entities ("VIEs") (which includes, but is not limited to, special purpose entities, trusts, partnerships and other legal structures) as defined by the Accounting Standards Board in Accounting Guideline ("AcG") 15, "Consolidation of Variable Interest Entities" are entities in which equity investors do not have the characteristics of a "controlling financial interest" or there is not sufficient equity at risk for the entity to finance its activities without additional

subordinated financial support. VIEs are subject to consolidation by the primary beneficiary who will absorb the majority of the entities expected losses and/or expected residual returns. Intercompany accounts and transactions, unrealized intercompany gains and losses are eliminated upon consolidation.

Use of estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Changes in estimates of useful lives are accounted for prospectively from the date of change. Actual results could differ from these estimates. The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include property, plant and equipment; mineral interests; inventories; goodwill; reclamation and remediation obligations; provision for income and mining taxes; employee pension costs and post employment benefit obligations.

Translation of foreign currencies

Domestic and foreign operations

As of September 29, 2003, the functional currency of all the Company's operations is the U.S. dollar. Prior to that date, the currency of measurement for certain of the Company's operations domiciled in Canada was the Canadian dollar. On September 29, 2003, the Company repaid its entire outstanding Canadian dollar denominated debt. All of the Company's revenues are in U.S. dollars.

Prior to the repayment of its Canadian dollar denominated convertible debentures (see Note 11), certain Canadian denominated dollar balances were translated to U.S. dollars for reporting purposes using the current rate method. Under the current rate method, assets and liabilities were translated at the exchange rates in effect at the balance sheet date and revenues and expenses were translated at average rates for the period.

After September 29, 2003, for these operations and for all non-U.S. operations, the temporal method is used to translate to U.S. dollars for reporting purposes. Under the temporal method, all non-monetary items are translated at historical rates. Monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date, revenues and expenses are translated at average rates for the year and gains and losses on translation are included in income.

The cumulative translation adjustments relate to the unrealized translation gains and losses on the Company's net investment in self-sustaining operations, translated using the current rate method, prior to September 29, 2003. Such exchange gains and losses will become realized in income upon the substantial disposition, liquidation or closure of the mining property or investment that gave rise to such amounts.

Foreign currency transactions

Monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the average rate of exchange for the year. Exchange gains and losses are included in income.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with an original maturity of three months or less.

Short-term investments

Short-term investments are highly liquid investments with an original maturity greater than three months and less than twelve months.

Long-term investments

Investments in shares of investee companies in which Kinross' ownership is greater than 20% but not more than 50%, over which the Company has the ability to exercise significant influence, are accounted for using the equity method. The cost method is used for entities in which the Company owns less than 20% or cannot exercise significant influence. The Company periodically reviews the carrying value of its investments. When a decline in the value of an investment is other than temporary, the investment is written down accordingly.

Inventories

Expenditures and depreciation, depletion and amortization of assets incurred in the mining and processing activities that will result in future gold production are deferred and accumulated as ore in stockpiles, ore on leach pads and in-process inventories. These deferred amounts are carried at the lower of average cost or net realizable value ("NRV"). NRV is the difference between the estimated future gold price based on prevailing and long-term metal prices, and estimated costs to complete production into a saleable form. Write-downs of ore in stockpiles, ore on leach pads and inventories resulting from NRV impairments are reported as a component of current period costs.

Ore in stockpiles

Stockpiles are comprised of coarse ore that has been extracted from the mine and is available for further processing. Stockpiles are measured by estimating the number of tonnes (such as truck counts and/or in-pit surveys of the ore before processing or other similar methods) added and removed from the stockpile. Stockpile tonnages are verified by periodic surveys. Stockpiles are valued based on mining costs incurred up to the point of stockpiling the ore, including applicable depreciation, depletion and amortization relating to operations. Costs are added to stockpiles based on the current mining cost per tonne and removed at the average cost per tonne.

Ore in stockpiles is processed according to a life of mine plan that is designed to optimize use of known mineral reserves, present processing capacity and pit design. The market price of gold does not significantly affect the timing of processing of ore in stockpiles. While stockpiled ore can be processed earlier than planned in the event of an unforeseen disruption to mining activities, the current portion of ore in stockpiles represents the amount expected to be processed in the next twelve months. Ore in stockpiles not expected to be processed in the next twelve months is classified as long-term.

Ore on leach pads

The recovery of gold from certain oxide ores is best achieved through the heap leaching process. Under this process, ore is placed on leach pads where it is permeated with a chemical solution, which dissolves the gold contained in the ore. The resulting recovered solution, which is included in in-process inventory, is further processed in a plant where gold is recovered. For accounting purposes, costs are added to leach pads based on current mining costs, including applicable depreciation, depletion, and amortization relating to operations. Costs are removed from the leach pad as ounces are recovered in circuit at the plant based on the average cost per recoverable ounce of gold on the leach pad.

The engineering estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads (measured as tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data) and a recovery percentage (based on the leach process and ore type). While it may not be uncommon for recoveries to occur on a declining basis over a period of time in excess of twelve months, economically recoverable gold reflected in the Company's carrying value for ore on leach pads, based on its current operations, will be recovered within a period of twelve months or less. All of the Company's ore on leach pads is classified as current. In the event that the Company determined, based on engineering estimates, that a quantity of gold contained in ore on leach pads was to be recovered over a period exceeding twelve months, that portion would be classified as long-term.

Although the quantities of recoverable gold placed on the leach pads are reconciled by comparing the grades of ore placed on the leach pads to the quantities of gold actually recovered (metallurgical balancing), the nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. Variances between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis. The ultimate recovery of gold from a leach pad will not be known until the leaching process is concluded.

In-process inventory

In-process inventories represent materials that are currently in the process of being converted to a saleable product. Conversion processes vary depending on the nature of the ore and the specific mining operation, but include mill in-circuit, leach in-circuit, flotation and column cells, and carbon-in-pulp inventories. In-process material is measured based on assays of the material in the processing plants and the projected recoveries of the respective plants. In-process inventories are valued at the average cost of the material fed to the processing plant attributable to the source material coming from the mines, stockpiles or leach pads plus the in-process conversion costs, including applicable depreciation relating to the process facilities.

Finished metal

Finished metal inventories, comprised of gold and silver doré and bullion, are valued at the lower of the previous three month average production cost and net realizable value. Average production cost represents the average cost of the respective in-process inventories incurred prior to the refining process, plus applicable refining costs and associated royalties.

Materials and supplies

Materials and supplies are valued at the lower of average cost and replacement cost.

Property, plant and equipment

Buildings, plant and equipment

New facilities, plant and equipment are recorded at cost and carried net of depreciation. Mobile and other equipment is amortized, net of residual value, using the straight-line method, over the estimated productive life of the asset. Productive lives for mobile and other equipment range from 2 to 10 years, but do not exceed the related estimated mine life based on proven and probable reserves. Plant and other facilities, used in carrying out the mine operating plan, are amortized using the units-of-production ("UOP") method over the estimated life of the ore body based on recoverable ounces to be mined from estimated proven and probable reserves. Repairs and maintenance expenditures are expensed as incurred. Expenditures that extend the useful lives of existing facilities or equipment are capitalized and amortized over the remaining useful life of the related asset.

Mineral exploration and mine development costs

Mineral exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are amortized using the UOP method over the estimated life of the ore body based on recoverable ounces to be mined from estimated proven and probable reserves.

At the Company's open pit mines, these costs include costs to initially delineate the ore body and remove overburden prior to production. The Company expenses in-pit stripping cost as incurred.

At the Company's underground mines, these costs include the cost of building access ways, shaft sinking and access, lateral development, drift development, ramps and infrastructure development.

Major development costs incurred after the commencement of production are amortized using the UOP method based on recoverable ounces to be mined from estimated proven and probable reserves. Commercial production occurs when an asset or property is substantially complete and ready for its intended use. Ongoing development expenditures to maintain production are charged to operations as incurred.

Mineral interests

Mineral interests include acquired mineral use rights associated with producing, development and exploration properties. The amount capitalized related to a mineral interest represents its fair value at the time it was acquired, either as an individual asset purchase or as a part of a business combination. The values of such mineral use rights are primarily driven by the nature and amount of mineral interests believed to be contained, or potentially contained, in properties to which they relate.

Mineral interests relating to producing properties pertain to the reserves and resources associated with a property. Development properties represent mineral use rights in properties under development that contain reserves or resources. Exploration properties represent value of the land area around the existing producing mine or development property or green field exploration area that is not part of resources and is comprised mainly of material outside the immediate mine area.

The Company's mineral use rights generally are enforceable regardless of whether proven and probable mineral reserves have been established. The Company has the ability and intent to renew mineral use rights where the existing term is not sufficient to recover all identified and valued proven and probable reserves and/or undeveloped mineral interests.

Interest capitalization

Interest expense allocable to the cost of developing mining properties and to constructing new facilities is capitalized until assets are ready for their intended use.

Depreciation and amortization

Production stage mineral interests are amortized over the life of mine using the UOP method based on recoverable ounces to be mined from estimated proven and probable reserves. Development and exploration properties are not amortized until such time as the underlying property is converted to the production stage. Some plant and equipment is depreciated on a straight-line basis.

The expected useful lives used in amortization calculations are determined based on the facts and circumstances associated with the mineral interest. The Company evaluates the remaining amortization period for each individual mineral interest on at least an annual basis. Any changes in estimates of useful lives are accounted for prospectively from the date of the change.

Asset impairment — Long-lived assets

Kinross reviews and evaluates the carrying value of its operating mines, development and exploration properties for impairment on an annual basis or when events or changes in circumstances indicate that the carrying amounts of related assets or groups of assets might not be recoverable.

In assessing the impairment for production and development properties, if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is measured and recorded. Future cash flows are based on estimated future recoverable mine production, expected sales prices (considering current and historical prices, price trends and related factors), production levels and costs, capital and reclamation and remediation obligations, all based on detailed engineering life of mine plans. Future recoverable mine production is determined from proven and probable reserves and measured, indicated and inferred mineral resources after taking into account losses during ore processing and treatment. Cash flow estimates of recoverable production from inferred mineral interests are risk adjusted to reflect the greater uncertainty associated with those cash flows. All long-lived assets at a particular operation are combined for purposes of estimating future cash flows.

Exploration properties are the areas adjacent and contiguous to existing mines or development properties containing reserves, resources or without any identified exploration targets, which is assessed for impairment by comparing the carrying value with the fair value. Fair value is based primarily on recent transactions involving sales of similar properties.

Goodwill

Acquisitions are accounted for using the purchase method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition. The excess of the purchase price over such fair value is recorded as goodwill. Goodwill is attributed to the following factors:

- The expected ability of the Company to increase the reserves and resources at a particular mining property based on its potential to develop identified exploration targets existing on the properties which were part of the aquisitions;
- The optionality (real option value associated with the portfolio of acquired mines as well as each individual mine) to develop additional, higher-cost reserves and to intensify efforts to develop the more promising acquired properties and reduce efforts at developing the less promising acquired properties should gold prices change in the future; and
- The going concern value of the Company's capacity to replace and augment reserves through completely new discoveries whose value is not reflected in any of the other valuations.

Accordingly, in determining the basis of assigning goodwill to reporting units as at the date of acquisition, the value associated with expected additional value attributable to exploration potential is quantified for each reporting unit based on the specific geological attributes of the mineral property and based on market data for similar types of properties. The values associated with optionality and going concern value are not separately computed and accordingly the balance of goodwill is assigned to reporting units using a relative fair value methodology. The carrying amount of goodwill assigned to the reporting units acquired at the date of acquisition is not amortized.

The Company evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the fair value of reporting units, to which goodwill was allocated, to their carrying amounts. If the carrying value of a reporting unit exceeds its fair value, the Company performs the second step of the impairment test. In the second step, the Company compares the implied fair value of the reporting unit's goodwill to its carrying amount and any excess of the carrying value over the fair value is charged to earnings. Assumptions underlying fair value estimates are subject to risks and uncertainties.

Financial instruments and hedging activity

As part of its strategy to manage exposure to fluctuations in metal prices and foreign currency exchange rates, Kinross enters into metals and currency contracts, including forward contracts, spot deferred contracts and options. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking the hedge transactions. This process includes linking all derivatives to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. Hedge effectiveness is assessed based on the degree to which the cash flows from the derivative contracts are expected to offset the cash flows of the underlying position or transaction being hedged. The Company formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. In instances where the documentation supports an economic hedge but is insufficient to meet the standard for formal hedge accounting, the Company records changes in fair value of the financial instruments in current earnings.

For precious metal production, the use of spot deferred and fixed forward contracts is intended to hedge the Company's exposure to the risk of falling commodity prices. Realized and unrealized gains or losses on derivative contracts that effectively establish prices for future production are deferred and recorded in earnings when the underlying hedged transaction, identified at the contract inception, is completed. Premiums received at the inception of written call options are recorded as a liability. Changes in the fair value of the liability are recognized in current earnings. Realized and unrealized gains or losses for derivative contracts which do not qualify as hedges for accounting purposes or which relate to a hedged transaction or item that has been sold or terminated are recorded in current earnings. Gains or losses on the early settlement of metal hedging contracts, that were deemed to be effective at the inception of the contract, are deferred on the balance sheet and included in earnings in accordance with the original delivery schedule of the hedged production.

Foreign currency forward contracts are used to hedge exposure to fluctuations in foreign currency denominated anticipated capital and operating expenditures. Gains or losses on these contracts are matched with the hedged expenditures at the maturity of the contracts. Realized and unrealized gains or losses associated with foreign exchange forward contracts, which have been terminated or cease to be effective prior to maturity, are deferred under other assets or liabilities on the balance sheet and recognized in earnings in the period in which the underlying hedged transaction is recognized.

Changes in the fair value of any other financial instruments, for which the Company has not sought hedge accounting, are recognized currently in earnings.

Pension, post-retirement and post-employment benefits

The Company participates in both defined contribution and defined benefit pension plans. The costs of defined contribution plans, representing the Company's required contribution, and the costs of defined benefit pension plans are charged to earnings in the year incurred. Defined benefit plan pension expense, based on management's assumptions, consists of the actuarially computed costs of pension benefits in respect of the current year's service, imputed interest on plan assets and pension obligations, straight-line amortization of experience gains and losses, assumption changes and plan amendments over the expected average remaining service life of the employee group.

The expected costs of post-retirement and post-employment benefits, other than pensions, to active employees are accrued for in the consolidated financial statements during the years employees provide service to be entitled to receive such benefits.

Stock-based incentive and compensation plans

The Company has four stock-based incentive and compensation plans which are described in Note 15 to the consolidated financial statements. They comprise of an Employee Share Purchase Plan ("ESPP"), Restricted Share Unit Plan ("RSU"), Deferred Share Unit Plan ("DSU") and a Stock Option Plan.

ESPP

The Company's contribution to the ESPP is recorded as compensation expense on a payroll cycle basis as the employer's obligation to contribute is incurred.

RSU

RSUs are only settled in equity and are valued using the market value of the underlying stock at the grant date. Compensation expense is recognized on a straight-line basis over the vesting period. Adjustments to compensation expense for employment vesting requirements are accounted for in the period when they occur. On exercise of RSUs, the shares are issued from treasury.

DSU

DSUs are settled in cash and accounted for as a liability as of the grant date based on the market value at the grant date. The value of the liability is remeasured each period based on the current market value of the underlying stock at period end and any changes in the liability are recorded as compensation expense each period.

Stock Option Plan

Effective January 1, 2004, the Company began recording an expense for employee stock-based compensation using the fair value based method, applied retroactively without restatement, for all awards granted or modified on or after January 1, 2002. The fair value of stock options at grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized on a straight-line basis over the stock option vesting period. Adjustments to compensation expense due to not meeting employment vesting requirements are accounted for in the period when they occur.

Prior to January 1, 2004, as permitted by Section 3870, the Company presented the impact of employee stock-based awards on a pro forma basis. Had the Company adopted the fair value based method of accounting for all stock-based awards in 2003, the reported net loss and the loss per common share would have been adjusted to the pro forma amounts indicated in the table below:

	2003
Net loss	$ (442.2)
Stock-based compensation expense — pro forma	(0.4)
Net loss — pro forma	$ (442.6)
Loss per common share	
Basic and diluted — reported	$ (1.43)
Basic and diluted — pro forma	$ (1.43)

Revenue recognition

Gold and silver revenue is recognized upon shipment to third-party gold refineries, when the sales price is fixed and title has passed to the customer.

Reclamation and remediation obligations

The Company requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset (where one is identifiable) is recorded and depreciated over the life of the asset. The amount is initially recorded at its discounted present value with subsequent annual recognition of an accretion amount on the discounted liability. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability will be subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and remediation obligations could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are recognized as an increase or decrease in the carrying amount of the liability for reclamation and remediation obligations, and the related asset retirement cost is capitalized as part of the carrying amount of the related long-lived asset. Upward revisions in the amount of undiscounted cash flows are discounted using the current credit-adjusted risk-free rate. Downward revisions in the amount of undiscounted estimated cash flows are discounted using the credit-adjusted risk-free rate that existed when the original liability was recognized.

Income and mining taxes

The provision for income and mining taxes is based on the liability method. Future taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future tax assets that it believes will, more likely than not, fail to be realized. On business acquisitions, where differences between assigned values and tax bases of assets acquired (other than non-tax deductible goodwill) and liabilities assumed exist, the Company recognizes the future tax assets and liabilities for the tax effects of such differences.

Future withholding taxes are provided for the unremitted net earnings of foreign subsidiaries and joint ventures to the extent that dividends or other repatriations are anticipated in the future and will be subject to such taxes.

Earnings (loss) per share

Earnings (loss) per share ("EPS") is calculated by dividing the net earnings (loss) by the weighted-average number of the Company's common shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the applicable net earnings (loss) by the sum of the weighted-average number of common shares outstanding if potentially dilutive common shares had been issued during the period. The treasury stock method is used to compute the dilutive effect of common share purchase warrants, stock options, restricted shares and deferred share units. The if-converted method is used to compute the dilutive effect of convertible debt. If the Company has a net loss, diluted earnings per share is calculated using the basic weighted average shares outstanding because to do otherwise would be anti-dilutive.

Reclassifications

Certain comparative figures for 2004 and 2003 have been reclassified to conform to the 2005 presentation.

4. RECENT PRONOUNCEMENTS AND ACCOUNTING CHANGES

Recent pronouncements

(a) On January 27, 2005, the CICA ("Canadian Institute of Chartered Accountants") issued three new accounting standards: Handbook Section 1530, "Comprehensive Income", Handbook Section 3855, "Financial Instruments — Recognition and Measurement", and Handbook Section 3865, "Hedges". These standards will be effective for years commencing after November 1, 2006. The impact of implementing these new standards on the Company's consolidated financial statements is not yet determinable and is dependent on the outstanding positions and related fair values at the time of transition.

Other Comprehensive Income

As a result of adopting these standards, a new category, Other Comprehensive Income, will be added to shareholders' equity on the consolidated balance sheets. Major components for this category will include unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translation amounts, net of hedging, arising from self-sustaining foreign operations, and changes in the fair value of the effective portion of cash flow hedging instruments.

Financial Instruments — Recognition and Measurement.

Under the new standard, all financial instruments will be classified as one of the following: held-to-maturity, loans and receivables, held-for-trading or available-for-sale. Financial assets and liabilities held-for-trading will be measured at fair value with gains and losses recognized in net income. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading, will be measured at amortized cost. Available-for-sale instruments will be measured at fair value with unrealized gains and losses recognized in other comprehensive income. The standard also permits designation of any financial instrument as held-for-trading upon initial recognition.

Hedges

This new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed for each of the permitted hedging strategies: fair value hedges, cash flow hedges and hedges of a foreign currency exposure of a net investment in a self-sustaining foreign operation. In a fair value hedging relationship, the carrying value of the hedged item is adjusted by gains or losses attributable to the hedged risk and recognized in net income. This change in fair value of the hedged item, to the extent that the hedging relationship is effective, is offset by changes in the fair value of the derivative. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative will be recognized in other comprehensive income. The ineffective portion will be recognized in net income. The amounts recognized in other comprehensive income will be reclassified to net income in the periods in which net income is affected by the variability in the cash flows of the hedged item. In hedging a foreign currency exposure of a net investment in a self-sustaining foreign operation, foreign exchange gains and losses on the hedging instruments will be recognized in other comprehensive income.

(b) In June 2005, the CICA issued Handbook Section 3831 "Non-Monetary Transactions" to revise and replace Handbook Section 3830 "Non-Monetary Transactions". Section 3831 requires all non-monetary transactions to be measured at fair value, subject to certain exceptions.

The standard also requires that commercial substance will replace culmination of the earnings process as the test for fair value measurement. The standard defines commercial substance as a function of the cash flows expected from the assets. These revised standards are effective for non-monetary transactions initiated in fiscal periods beginning on or after January 1, 2006 and early adoption is permitted for fiscal periods beginning on or after July 1, 2005.

(c) In October 2005, the Emerging Issues Committee issued the CICA Abstract No. 157, "Implicit Variable Interests Under AcG-15" ("EIC-157"). This EIC clarifies that implicit variable interests are implied financial interests in an entity that change with changes in the fair value of the entity's net assets exclusive of variable interests. An implicit variable interest is similar to an explicit variable interest except that it involves absorbing and/or receiving variability indirectly from the entity. The identification of an implicit variable interest is a matter of judgment that depends on the relevant facts and circumstances. EIC-157 will be effective in the first quarter of 2006.

(d) In March 2006, the CICA issued EIC 160, Stripping Costs Incurred in the Production Phase of a Mining Operation. The EIC clarifies that stripping costs should be accounted for according to the benefit received by the entity. Generally, stripping costs should be accounted for as variable production costs that should be included in the costs of the inventory produced (that is, extracted) during the period that stripping costs are incurred. However, stripping costs should be capitalized if the stripping activity can be shown to represent a betterment to the mineral property. Capitalized stripping costs should be amortized in a rational and systematic manner over the reserves that directly benefit from the specific stripping activity, such as the unit of production method. The reserves used to amortize capitalized stripping costs will normally differ from those used to amortize the mineral property and related life-of-mine assets as the stripping costs may only relate to a portion of the total reserves. EIC 160 should be applied to stripping costs incurred in fiscal years beginning on or after July 1, 2006, and may be applied retroactively. The Company is currently evaluating the implications of this announcement.

5. BUSINESS AND PROPERTY ACQUISITIONS

2004

Acquisition of remaining 51% of Paracatu mine

On December 31, 2004, the Company completed the purchase of the remaining 51% of the Rio Paracatu Mineracao ("RPM"), the owner of the Morro do Ouro mine (also known as Paracatu) in Brazil from Rio Tinto Plc. ("Rio Tinto"). The RPM gold mine is located near Brasilia in the state of Minas Gerais, Brazil. It has been in operation since 1987. As a result of this transaction, the Company now owns 100% of the property. Kinross acquired its original 49% interest in the mine on January 31, 2003 when the Company acquired TVX Gold Inc. ("TVX"). Consideration of $255.6 million was paid in cash on finalizing the post completion working capital adjustment. The Company financed the transaction with debt of $105 million and the remainder in cash.

The following table reflects the purchase price allocation for the acquisition of the remaining 51% interest of the Paracatu mine (in millions):

Cash paid	$	249.6
Working capital adjustment		6.0
Total cash paid to Rio Tinto Plc.	$	255.6
Plus — direct acquisition costs incurred by the Company		1.4
Total purchase price	$	257.0
Plus — Fair value of liabilities assumed by Kinross		
Accounts payable and accrued liabilities	$	8.3
Long-term debt, including current portion		10.5
Reclamation and remediation obligations, including current portion		5.4
Future income tax liabilities		3.0
Less — Fair value of assets acquired by Kinross		
Cash		(5.7)
Short-term investments		(0.4)
Accounts receivable and other assets		(2.7)
Inventories		(3.7)
Property, plant and equipment		(37.5)
Mineral interests		(233.4)
Other non-current assets		(0.8)
Residual purchase price allocated to goodwill	$	—

Pro forma consolidated results

The purchase of the remaining 51% interest in the Paracatu mine was effective on December 31, 2004. If the combination had been effective as of January 1, 2004, pro forma consolidated revenues for the year ended December 31, 2004 would increase by $39.8 million to $706.6 million and pro forma consolidated net loss for the year ended December 31, 2004 would decrease by $7.5 million to $55.6 million. These pro forma results were based on the purchase price allocation. The pro forma financial information does not purport to project the Company's results of operations for any future periods.

2003

(a) TVX Gold Inc., Echo Bay Mines Ltd. and the TVX Newmont Americas Joint Venture

On January 31, 2003, pursuant to a Canadian Plan of Arrangement, Kinross acquired 100% of TVX and 100% of Echo Bay Mines Ltd. ("Echo Bay"). Consideration paid for the TVX common shares was 2.1667 Kinross common shares for each TVX common share. Consideration paid for the Echo Bay shares was 0.1733 of a Kinross common share for each Echo Bay common share. The exchange ratio reflects the three for one consolidation of the Company's common shares as described in Note 14. The purchase price for these acquisitions totaled $1.3 billion and comprised of 177.8 million Kinross common shares, $12.6 million of direct costs and $29.3 million representing the fair value of common share purchase warrants and stock options assumed. The value of Kinross shares was $7.14 per share based on the average market price of the shares over the two-day period before and after June 10, 2002, being the date Kinross, TVX and Echo Bay entered into the combination agreement.

In a separate transaction, immediately prior to the business combination, TVX acquired Newmont Mining Corporation's ("Newmont") 50% non-controlling interest in the TVX Newmont Americas joint venture ("TVX Newmont JV") for $180.0 million in cash. The purchase price comprised of TVX's available cash of $85.5 million and cash advanced by Kinross to TVX of $94.5 million.

Upon completion of the acquisition of TVX and TVX's purchase of Newmont's interest in the TVX Newmont JV, Kinross held various non-operating interests in gold mines located in Chile (La Coipa — 50%), Brazil (Paracatu — 49% and Crixás — 50%) and Canada (Musselwhite — 32%), an operating interest in one other Canadian mine (New Britannia — 50%) and exploration interests in Brazil. Upon acquiring Echo Bay, Kinross held operating interests in gold mines located in the United States (Round Mountain — 50%) and Canada (Lupin — 100%) and interests in development properties in both Canada and the United States.

The acquisitions were accounted for using the purchase method of accounting whereby identifiable assets acquired and liabilities assumed were recorded at their fair market values as of the date of acquisition. The excess of the purchase price over such fair value was recorded as goodwill and amounted to $736.7 million. In accordance with CICA Handbook Section 3062, "Goodwill and Other Intangible Assets," and Statement of Financial Accounting Standards ("SFAS") 142, "Goodwill and Other Intangible Assets," for the purpose of testing goodwill for impairment, goodwill was assigned to the Company's reporting units acquired and will not be amortized.

The estimated fair value of property, plant and equipment was based on the replacement costs as determined through independent appraisals performed by an independent third party. Mineral interests, representing acquired mineral use rights were recorded at fair value based on an independent valuation. Details of mineral interests acquired pursuant to the business combination are included in the Property, plant and equipment section of Note 6. Estimated future cash flows used in the valuation were based on estimated quantities of gold to be produced at each site, the estimated costs, timing and capital expenditures associated with such production, valuation of the exploration property surrounding operating assets, independent forecast of gold prices, inflation and foreign currency exchange rates at the date of acquisition and a discount rate of a similar market participant.

The following table reflects the restated final purchase price allocation for the acquisition of 100% of Echo Bay and 100% of TVX:

	TVX	Echo Bay	Total
	(in millions, except per share data)		
Common shares of Kinross issued to Echo Bay and TVX shareholders	93.9	83.9	177.8
Value of Kinross common stock per share	$ 7.14	$ 7.14	$ 7.14
Fair value of the Company's common stock issued	$ 670.7	$ 599.1	$ 1,269.8
Plus — fair value of warrants and options assumed by the Company	$ 6.8	$ 22.5	$ 29.3
Plus — direct acquisition costs incurred by the Company	6.3	6.3	12.6
Plus — the Company's previous 10.6% ownership interest in Echo Bay	—	7.0	7.0
Total purchase price	$ 683.8	$ 634.9	$ 1,318.7
Plus — Fair value of liabilities assumed by Kinross			
Accounts payable and accrued liabilities	53.6	23.1	76.7
Long-term debt, including current portion	2.2	—	2.2
Site restoration cost accruals, including current portion	17.5	45.5	63.0
Future income tax liabilities	134.8	1.1	135.9
Other long-term liabilities	0.1	—	0.1
Liability with respect to TVX Newmont JV assets acquired	94.5	—	94.5
Less — Fair value of assets acquired by Kinross			
Cash	(27.8)	(16.4)	(44.2)
Restricted cash	(11.3)	(10.1)	(21.4)
Marketable securities	(0.5)	(1.9)	(2.4)
Accounts receivable and other assets	(18.1)	(4.7)	(22.8)
Inventories	(19.1)	(28.8)	(47.9)
Property, plant and equipment	(129.1)	(84.6)	(213.7)
Mineral interests	(410.2)	(138.1)	(548.3)
Long-term investments and other non-current assets	(5.1)	(48.6)	(53.7)
Residual purchase price allocated to goodwill	$ 365.3	$ 371.4	$ 736.7

Pro forma consolidated results

The combination of Kinross, TVX and Echo Bay was effective on January 31, 2003. Had the combination been effective as of January 1, 2003, the results for the year ended December 31, 2003 would have increased the pro forma consolidated revenues, by $28.9 million to $600.8 million and would have increased pro forma consolidated net loss, by $16.3 million to $454.0 million. The pro forma financial information does not purport to project the Company's results of operations for any future periods.

(b) Omolon Gold Mining Corporation

On December 3, 2002, the Company entered into purchase agreements with four of the five Russian minority shareholders, holding in aggregate, 44.2% of the shares of Omolon Gold Mining Company ("Omolon"). Omolon agreed to purchase these shares, from the four shareholders, for $44.7 million, including legal fees. The transactions were completed in February 2003 and Omolon subsequently cancelled these shares. As a result of the share cancellation, the Company increased its ownership in the outstanding shares of Omolon to 98.1% from 54.7%.

The fair value of the assets and liabilities of the 45.3% interest in Omolon and the allocation of the purchase consideration are as follows (in millions):

Fair value of assets acquired by Kinross:	
Cash	$ 26.1
Accounts receivable	2.9
Inventories	12.3
Property, plant and equipment	13.8
Other non-current assets	1.9
Less — fair value of liabilities assumed by Kinross:	
Accounts payable and accrued liabilities	(5.7)
Long-term debt, including current portion	(2.2)
Site restoration cost accruals, including current portion	(3.4)
Non-controlling interest	(1.0)
Total cash consideration	$ 44.7
Financed by:	
Cash (including cash acquired — $26.1 million)	$ 44.7

(c) E-Crete

During 2003, the Company acquired a further 1.2% interest in E-Crete for cash consideration of $0.1 million, by funding its partner's share of cash calls, thereby increasing its ownership interest to 90.0%. During 2005, the Company sold its investment in E-Crete for $2.4 million.

6. CONSOLIDATED FINANCIAL STATEMENT DETAILS

Consolidated Balance Sheets

Accounts receivable and other assets:

	2005	2004
Trade receivables	**$ 1.4**	$ 2.2
Taxes recoverable	**0.4**	7.9
Deferred hedge losses	**—**	4.7
Fair value of non-hedge derivatives	**—**	4.1
Marketable securities[(a)]	**—**	0.3
Prepaid expenses	**6.5**	4.0
Other	**19.5**	14.4
	$ 27.8	$ 37.6

(a) Quoted market value: 2005 — N/A, 2004 — $0.4 million.

Inventories:

	2005	2004
In-process	**$ 12.7**	$ 9.1
Finished metal	**26.0**	25.8
Ore in stockpiles [(a)]	**30.8**	24.2
Ore on leach pads [(b)]	**17.1**	15.7
Materials and supplies	**55.3**	51.1
	141.9	125.9
Long-term portion of ore in stockpiles	**(26.7)**	(14.9)
	$ 115.2	$ 111.0

(a) Ore in stockpiles includes low-grade material not scheduled for processing within the next twelve months and is included in deferred charges and other long-term assets on the consolidated balance sheets. See deferred charges and other long-term assets.

(b) Ore on leach pads at December 31, 2005 relate to the Company's 50% owned Round Mountain and Refugio mines. At December 31, 2004, the ore on leach pads relates entirely to the Round Mountain mine. As at December 31, 2005, the weighted average cost per recoverable ounce of gold on the leach pads was $275 per ounce at Round Mountain and $161 at Refugio (2004 — $200 per ounce, Round Mountain). Based on current mine plans, the Company expects to place the last tonne of ore on its current leach pad at Round Mountain in 2016 and at Refugio in 2028. The Company expects that all economic ounces will be recovered within approximately 12 months following the date the last tonne of ore is placed on the leach pad.

Property, plant and equipment — net:

	2005	2004
Property, Plant and Equipment		
Cost — net of write-down		
Producing properties		
Plant and equipment amortized on a straight-line basis	**$ 172.4**	$ 165.6
Plant and equipment amortized on units of production basis	**995.9**	983.4
Development properties[b]	**—**	39.9
Exploration properties[a]	**4.4**	6.1
Mineral Interests		
Gross carrying value		
Production stage	**$ 737.6**	$ 680.5
Development properties	**15.2**	36.6
Exploration properties	**41.2**	88.3
	$ 1,966.7	$ 2,000.4
Property, Plant and Equipment		
Accumulated depreciation		
Producing properties		
Plant and equipment amortized on a straight-line basis	**$ (80.9)**	$ (75.7)
Plant and equipment amortized on units of production basis	**(635.0)**	(552.8)
Mineral Interests		
Accumulated depreciation		
Production stage	**$ (186.1)**	$ (127.8)
Development properties	**—**	—
Exploration properties	**—**	—
	$ (902.0)	$ (756.3)
Property, Plant and Equipment — net[c]	**$ 1,064.7**	$ 1,244.1

(a) The Norseman property in Australia sold in 2005 was included in the balance sheet at December 31, 2004 at its disposal value of $1.7 million.

(b) The Aquarius property was written down to its fair value of $14.3 million during 2005, of which $15.2 million is included in mineral interests and the related $0.9 million reclamation and remediation obligation is shown within liabilities. At December 31, 2005, it is considered an asset held for sale.

(c) During 2005, interest totaling $1.8 million was capitalized and is included in property, plant and equipment. The interest relates to capital expenditures at Fort Knox, Porcupine Joint Venture, Refugio and Round Mountain.

For impairments associated with property, plant and equipment, see Impairment charges section within this note.

Goodwill:

The goodwill allocated to the Company's reporting units and included in the respective operating segment assets is shown in the table below:

		2004			2005		
	Dec 31, 2003	Additions	Impairment[a]	Dec 31, 2004	Additions	Impairment[a]	Dec 31, 2005
Operating segments							
Fort Knox	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Round Mountain	86.5	—	—	86.5	—	—	86.5
La Coipa	71.4	—	—	71.4	—	—	71.4
Crixas	38.0	—	—	38.0	—	—	38.0
Paracatu	65.5	—	—	65.5	—	—	65.5
Musselwhite	31.0	—	—	31.0	—	(2.0)	29.0
Porcupine Joint Venture	—	—	—	—	—	—	—
Other operations	49.9	—	(12.4)	37.5	—	—	37.5
Corporate and other	—	—	—	—	—	(6.7)	(6.7)
Total	**$ 342.3**	**$ —**	**$ (12.4)**	**$ 329.9**	**$ —**	**$ (8.7)**	**$ 321.2**

(a) See discussion in Impairment charges below.

Long-term investments:

The quoted market value of the Company's long-term investments at December 31, 2005 was $27.7 million (December 31, 2004 — $31.2 million). All long-term investments are carried at the lower of cost and market. During 2005, the Company sold certain long-term investments with a book value of $14.9 million for net proceeds of $19.8 million (2004 — net proceeds of $9.1 million, book value of $9.0 million).

Deferred charges and other long-term assets:

	2005	2004
Long-term ore in stockpiles[a]	**$ 26.7**	$ 14.9
Deferred charges, net of amortization	**2.1**	2.4
Long-term receivables	**9.5**	5.3
Long-term deposits	**—**	2.6
Crown acquisition costs	**9.2**	3.3
Other	**1.6**	2.4
	$ 49.1	$ 30.9

(a) Ore in stockpiles represents stockpiled ore at the Company's Fort Knox mine and its proportionate share of stockpiled ore at Round Mountain and the Porcupine Joint Venture (2004 — Fort Knox, Round Mountain and the Porcupine Joint Venture).

Accounts payable and accrued liabilities:

	2005	2004
Trade payables	**$ 41.8**	$ 33.1
Accrued liabilties	**42.3**	27.4
Employee related accrued liabilities	**18.3**	22.9
Taxes payable	**7.3**	21.6
Accruals related to acquisition	**6.5**	10.6
Other accruals	**16.0**	30.8
	$ 132.2	$ 146.4

Consolidated Statement of Operations

Impairment charges:

The Company reviews the carrying values of its portfolio of investments on a quarterly basis and property, plant and equipment and goodwill on at least an annual basis. Through this process, the Company determined that certain asset values had become impaired and accordingly assets that were impaired were written down to their estimated recoverable amounts.

The components of the impairment charges are as follows:

	2005	2004	2003
Goodwill impairment	**$ 8.7**	$ 12.4	$ 394.4
Impairment of property, plant and equipment			
Aquarius	**30.1**	—	—
Fort Knox	**141.8**	—	—
Kubaka	**—**	25.1	—
Lupin	**—**	7.9	4.4
New Britannia	**—**	1.3	—
Round Mountain	**—**	—	2.7
La Coipa	**—**	—	2.9
Exploration projects and other assets	**—**	11.8	—
E-Crete	**—**	—	5.2
Impairment of investments and other assets			
Other receivable	**3.4**	—	—
Loan receivable from joint venture partner	**—**	—	1.2
Marketable securities	**—**	—	0.2
Long-term investments	**0.7**	1.4	0.5
Total	**$ 184.7**	$ 59.9	$ 411.5

In the fourth quarter of 2005, following a comprehensive review of its mining properties and investments on the basis set out in Note 3, the Company determined that the net recoverable amount of the Fort Knox mine was less than the net book value, resulting in a write-down of $141.8 million. During the year, a strategic review was conducted on the Fort Knox operation in light of higher electricity and fuel costs, the metallurgical performance at True North and the slope stability issues at the southwest wall of the pit. As a result of the review, True North and Gil were reclassified from reserves to resources and the Company elected to withdraw from the Ryan Lode project, which had previously been included in reserves. Design changes to the Fort Knox pit also contributed to the write-down. Also recorded in the fourth quarter of 2005 was a write-down of a long-term receivable relating to taxes.

On December 7, 2005, the Company signed a letter of intent with St Andrew Goldfields to sell its interest in the Aquarius project in Timmins, Ontario for 100 million shares and 25 million in warrants. The transaction was approved by the Company's Board of Directors on December 21, 2005. The asset was written down to fair value less costs to sell and accordingly, an impairment of property, plant and equipment and goodwill of $36.8 million was recorded during 2005. The transaction is expected to close in 2006.

In the fourth quarter of 2004, following a comprehensive review of its mining properties and investments on the basis set out in Note 3, the Company determined that the net recoverable amount of the Kubaka, Lupin and New Britannia mines was less than the net book value, resulting in a write-down of $34.3 million. In addition, the Gurupi exploration project in Brazil and the Norseman exploration project in Australia were also written down by $8.5 million.

In the fourth quarter of 2003, following a comprehensive review of its investments and properties on the basis set out in Note 3, the Company determined that the net recoverable amount of its investment in E-Crete, a producer of aerated concrete located in Phoenix, Arizona, was less than the net book value. Accordingly, the Company recorded a $5.2 million write-down. In addition, the Company determined that a loan receivable from a joint venture partner was not collectible and required a further $1.2 million accrual.

Other income (expense):

	2005	2004	2003
Interest income	**$ 3.1**	$ 5.6	$ 4.5
Interest expense	**(6.8)**	(5.1)	(11.6)
Foreign exchange losses	**(14.0)**	(13.3)	(34.0)
Sundry sales	**—**	1.3	6.6
Other	**3.9**	2.2	1.2
Non-hedge derivative (losses) gains	**(3.2)**	3.1	0.4
Loss on redemption of convertible debentures	**—**	—	(16.6)
	$ (17.0)	$ (6.2)	$ (49.5)

Consolidated Statements of Cash Flows

Cash and cash equivalents:

	2005	2004	2003
Cash on hand and balances with banks	**$ 33.4**	$ 29.5	$ 89.8
Short-term deposits	**64.2**	18.4	156.0
	$ 97.6	$ 47.9	$ 245.8

Interest and taxes paid:

	2005	2004	2003
Interest	**$ 7.9**	$ 2.4	$ 8.0
Income taxes	**$ 7.3**	$ 16.1	$ 7.0

7. JOINT VENTURE INTERESTS

The Company conducts a substantial portion of its business through joint ventures under which the venturers are bound by contractual arrangements establishing joint control over the ventures. The Company records its proportionate share of assets, liabilities, revenue and operating costs of the joint ventures. As at December 31, 2005 and 2004, the Company had interests in seven joint venture projects after consideration of the acquisition of the remaining 51% interest of the Paracatu Mine (see Note 5). As at December 31, 2003, the Company had interests in eight joint ventures after acquiring an interest in six joint ventures as a result of the combination with TVX and Echo Bay (see Note 5).

Summary of joint venture information

2005	Porcupine	Refugio	Round Mountain	La Coipa	Crixás	Mussel-white	New Britannia	Total
Metal sales	$ 80.8	$ 14.6	$ 164.0	$ 60.3	$ 41.5	$ 34.9	$ 0.8	$ 396.9
Cost of sales	50.7	9.6	93.7	45.4	14.1	26.4	0.8	240.7
Accretion	11.8	0.2	1.8	0.4	0.1	0.1	3.3	17.7
Depreciation, depletion and amortization	14.8	0.2	39.5	15.8	12.3	12.5	—	95.1
Exploration	3.5	—	2.4	1.1	0.3	1.6	—	8.9
Impairment charges	—	—	—	—	3.4	2.0	—	5.4
Other operating costs	1.0	2.9	—	—	—	(0.1)	0.9	4.7
	81.8	12.9	137.4	62.7	30.2	42.5	5.0	372.5
Operating earnings (loss)	$ (1.0)	$ 1.7	$ 26.6	$ (2.4)	$ 11.3	$ (7.6)	$ (4.2)	$ 24.4
Current assets	$ 10.0	$ 15.3	$ 26.3	$ 13.3	$ 12.6	$ 4.1	$ 0.1	$ 81.7
Property, plant and equipment	88.0	72.4	55.6	70.6	45.3	86.3	—	418.2
Goodwill	—	—	86.5	71.4	38.0	29.0	—	224.9
Deferred charges and other assets	5.3	—	6.2	0.7	0.3	0.1	—	12.6
	103.3	87.7	174.6	156.0	96.2	119.5	0.1	737.4
Current liabilities	10.0	16.3	20.8	12.4	2.8	2.0	—	64.3
Long-term liabilities	25.0	13.7	23.2	14.0	20.6	2.7	3.2	102.4
	35.0	30.0	44.0	26.4	23.4	4.7	3.2	166.7
Net investment in joint ventures	$ 68.3	$ 57.7	$ 130.6	$ 129.6	$ 72.8	$ 114.8	$ (3.1)	$ 570.7
Cash flow provided from (used in):								
Operating activities	$ 20.6	$ (5.0)	$ 66.0	$ 9.9	$ 25.8	$ 6.9	$ (3.7)	$ 120.5
Investing activities	$ (24.7)	$ (26.2)	$ (5.9)	$ (4.7)	$ (6.1)	$ (5.7)	$ 0.3	$ (73.0)
Financing activities	$ —	$ 3.6	$ —	$ —	$ —	$ —	$ —	$ 3.6

2004	Porcupine	Refugio	Round Mountain	Paracatu	La Coipa	Crixás	Mussel-white	New Britannia	Total
Metal sales	$ 78.8	$ 3.8	$ 154.1	$ 38.2	$ 59.0	$ 38.2	$ 32.1	$ 10.8	$ 415.0
Cost of sales	44.4	2.0	82.3	20.6	39.7	12.2	21.1	7.9	230.2
Accretion	2.3	—	1.9	0.5	0.4	0.1	0.1	(0.1)	5.2
Depreciation, depletion and amortization	22.7	—	43.3	9.5	16.8	12.8	12.5	—	117.6
Exploration	3.2	—	0.8	—	0.5	0.3	2.0	0.4	7.2
Impairment charges	—	—	—	2.1	—	—	—	1.3	3.4
Other operating costs	0.3	1.7	—	2.6	0.7	(0.1)	0.2	1.3	6.7
	72.9	3.7	128.3	35.3	58.1	25.3	35.9	10.8	370.3
Operating earnings (loss)	$ 5.9	$ 0.1	$ 25.8	$ 2.9	$ 0.9	$ 12.9	$ (3.8)	$ —	$ 44.7
Current assets	$ 9.6	$ 7.1	$ 31.6	$ 19.2	$ 16.4	$ 13.8	$ 3.7	$ 0.6	$ 102.0
Property, plant and equipment	75.3	43.0	86.3	451.2	74.1	50.9	92.2	—	873.0
Goodwill	—	—	86.5	65.5	71.4	38.0	31.0	—	292.4
Deferred charges and other assets	4.4	0.9	1.4	3.2	0.4	0.2	0.1	—	10.6
	89.3	51.0	205.8	539.1	162.3	102.9	127.0	0.6	1,278.0
Current liabilities	14.5	7.4	16.5	16.4	8.5	1.9	2.3	1.5	69.0
Long-term liabilities	11.8	13.4	26.0	77.2	13.8	21.2	2.0	0.6	166.0
	26.3	20.8	42.5	93.6	22.3	23.1	4.3	2.1	235.0
Net investment in joint ventures	$ 63.0	$ 30.2	$ 163.3	$ 445.5	$ 140.0	$ 79.8	$ 122.7	$ (1.5)	$ 1,043.0
Cash flow provided from (used in):									
Operating activities	$ 30.4	$ 0.6	$ 63.7	$ 13.3	$ 14.3	$ 25.8	$ 10.3	$ 2.2	$ 160.6
Investing activities	$ (24.5)	$ (44.3)	$ (8.5)	$ (15.7)	$ (0.9)	$ (3.6)	$ (3.9)	$ (0.5)	$ (101.9)
Financing activities	$ —	$ 13.0	$ —	$ —	$ —	$ —	$ —	$ —	$ 13.0

2003	Porcupine	Refugio	Round Mountain	Paracatu	La Coipa	Crixás	Mussel-white	New Britannia	Total
Metal sales	$ 83.0	$ —	$ 131.9	$ 32.0	$ 51.5	$ 31.9	$ 22.5	$ 11.8	$ 364.6
Cost of sales	48.9	(0.1)	74.9	18.0	34.4	10.3	15.9	11.1	213.4
Accretion	2.3	(0.4)	1.6	0.5	0.3	0.1	0.1	1.1	5.6
Depreciation, depletion and amortization	24.9	—	45.0	9.8	17.9	12.3	11.2	2.6	123.7
Exploration	2.5	1.4	2.1	—	0.9	0.5	2.1	0.8	10.3
Impairment charges	—	—	89.9	99.4	68.8	42.5	53.9	1.2	355.7
Other operating costs	2.9	0.4	—	1.1	0.3	0.3	0.2	0.1	5.3
	81.5	1.3	213.5	128.8	122.6	66.0	83.4	16.9	714.0
Operating earnings (loss)	$ 1.5	$ (1.3)	$ (81.6)	$ (96.8)	$ (71.1)	$ (34.1)	$ (60.9)	$ (5.1)	$ (349.4)
Current assets	$ 9.5	$ 2.4	$ 27.3	$ 11.5	$ 10.7	$ 11.8	$ 6.3	$ 2.8	$ 82.3
Property, plant and equipment	70.9	1.5	125.2	193.3	90.4	59.8	100.5	—	641.6
Goodwill	—	—	86.5	65.5	71.4	38.0	31.0	—	292.4
Deferred charges and other assets	3.2	—	2.0	1.7	1.1	0.1	—	—	8.1
	83.6	3.9	241.0	272.0	173.6	109.7	137.8	2.8	1,024.4
Current liabilities	9.7	0.8	16.7	4.0	8.7	2.2	1.8	1.1	45.0
Long-term liabilities	8.8	4.2	26.3	86.9	26.1	23.2	1.7	1.6	178.8
	18.5	5.0	43.0	90.9	34.8	25.4	3.5	2.7	223.8
Net investment in joint ventures	$ 65.1	$ (1.1)	$ 198.0	$ 181.1	$ 138.8	$ 84.3	$ 134.3	$ 0.1	$ 800.6
Cash flow provided from (used in):									
Operating activities	$ 30.7	$ (2.2)	$ 58.5	$ 16.4	$ 14.7	$ 20.6	$ 3.2	$ —	$ 141.9
Investing activities	$ (8.3)	$ (1.5)	$ (6.0)	$ (5.0)	$ (0.5)	$ (3.1)	$ (2.7)	$ (1.1)	$ (28.2)
Financing activities	$ —	$ —	$ —	$ —	$ (0.7)	$ (1.5)	$ —	$ —	$ (2.2)

8. FINANCIAL INSTRUMENTS

The Company manages its exposure to fluctuations in commodity prices and foreign exchange rates by entering into derivative financial instrument contracts in accordance with the formal risk management policies approved by the Company's Board of Directors.

Commodity risk management

The profitability of the Company is directly related to the market price of gold and silver. From time to time, the Company may use spot deferred contracts and fixed forward contracts to hedge against the risk of falling commodity prices for a portion of its forecasted metal production. Spot deferred contracts are forward sale contracts with flexible delivery dates that enable management to choose to deliver into the contract on a specific date or defer delivery until a future date. However, if the delivery is postponed, a new contract price is established based on the old contract price plus a premium (referred to as "contango").

From time to time, the Company sells call options as part of its overall strategy of managing the risk of changing metal prices. The option premium is received at the time call options are sold. If the gold price is higher than the call option strike price on the expiry date of the option, Kinross will either sell gold at the strike price of the option or enter into a spot deferred contract with a starting price equal to the strike price of the option. If the gold price is lower than the strike price of the call option at expiry, the option expires worthless.

The Company may also purchase gold put options to protect against the risk of the gold price falling. The option premium is paid out at the time the put options are purchased. If the gold price is lower than the strike price of the put option on the expiry date, gold is sold at the strike price of the option. If the gold price is higher than the strike price of the put option, the option expires worthless.

The outstanding number of ounces, average expected realized prices and maturities for the gold commodity derivative contracts as at December 31, 2005 are as follows:

Expected Year of Delivery	Call Options Sold (ounces)	Average Strike Price	Put Options Bought (ounces)	Average Strike Price
2006	255,000	$ 522	150,000	$ 250
Total	255,000	$ 522	150,000	$ 250

Call Options

As at December 31, 2005, the Company had 255,000 ounces of written gold call options outstanding for which the Company had recorded a $6.2 million unrealized loss. The Company had no written gold call options outstanding as at December 31, 2004.

Put options

As at December 31, 2005, the Company had acquired in the combination with TVX put options of 150,000 ounces of gold at a strike price of $250 per ounce (2004 — 300,000 ounces at a strike price of $250 per ounce). Changes in their fair value are recorded in current earnings.

Spot Deferred Contracts

The Company had no spot deferred contracts outstanding as at December 31, 2005. As at December 31, 2004, the Company had spot deferred contracts for the sale of 200,000 ounces of gold at an average price of $452 per ounce. While these contracts provide an economic hedge, they did not qualify for formal hedge accounting. As such, based on a December 31, 2004 spot price of $436 per ounce, a fair value unrealized gain of $3.0 million was included in revenue for the year ended December 31, 2004. These contracts were delivered into in the first quarter of 2005, realizing a premium of $25 per ounces against an average gold price of $427 per ounce, or a total of $4.9 million.

As at December 31, 2003, the Company had spot deferred contracts hedging the sale of 175,000 ounces with a fair value unrealized loss of $24.1 million. Since these contracts qualified for hedge accounting this loss remained off balance sheet. Beginning January 1, 2004, on the application of AcG-13, these contracts, while still providing an economic hedge, failed to meet the requirements for formal hedge accounting. As such, changes in fair value from that point until maturity are included in current earnings. In addition, the unrealized loss of $24.1 million of which $4.7 million related to 2005 was to be recognized in earnings in connection with the original maturity date of the contracts. During the year ended December 31, 2004, the Company delivered 85,000 ounces into these contracts and financially closed out the remaining 90,000 ounces at a cost of $9.6 million. However, for accounting purposes, the January 1, 2004 deferred loss relating to the contracts with original maturity dates in 2005, totaling $4.7 million, remained deferred on the balance sheet as at December 31, 2004, and was recognized in earnings in the first half of 2005.

As at December 31, 2005 and 2004, the Company has no derivative financial instruments outstanding relating to silver.

Foreign currency risk management

All sales revenues for the Company are denominated in U.S. dollars. The Company is primarily exposed to currency fluctuations relative to the U.S. dollar, on expenditures that are denominated in Canadian dollars, Russian rubles, Chilean pesos and Brazilian reais. These potential currency fluctuations could have a significant impact on the cost of producing gold and thereby, the profitability of the Company. This risk is reduced, from time to time, through the use of foreign exchange forward contracts to lock in the exchange rates on future foreign currency denominated cash outflows. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities. The Company does not actively manage this exposure.

As at December 31, 2005, the Company had foreign currency forward contracts to sell $6.0 million U.S. dollars and buy 14.8 million Brazilian reais at an average exchange rate of 2.47 over a nine-month period ending December 31, 2006. As at December 31, 2004, the Company had foreign currency forward contracts to sell U.S. dollars and buy Canadian dollars of CDN $14.3 million at an average exchange rate of 1.4322. These contracts matured over a six-month period ending June 30, 2005.

The Company uses these fixed forward contracts to partially hedge its Canadian dollar and Brazilian real denominated general and administrative costs and mine operating costs. During 2005, the Company recognized a gain of $2.6 million from hedging against movements in the exchange rate against the U.S. dollar (2004 — gain of $2.9 million, 2003 — gain of $2.0 million). The gains in 2005 and 2004 have been netted against operating costs from the Company's Canadian mines and against Canadian general and administrative expenses.

Beginning January 1, 2004, hedge contracts outstanding as at December 31, 2003, while still providing an economic hedge, failed to meet the requirements for formal hedge accounting. As such, changes in fair value from that point until maturity are included in current earnings. An unrealized gain of $1.8 million as at January 1, 2004 was recognized in earnings in connection with the original maturity date of the contracts. Of the total unrealized gains, $0.9 million related to contracts with original maturity dates in 2004 and $0.9 million related to 2005.

Other risks

The Company is exposed to interest rate risk on its variable rate debt. The Company is exposed to changes in crude oil prices as a result of diesel fuel consumption, primarily at its open pit mines. There were no derivative instruments related to interest rates or fuel prices outstanding as at December 31, 2005 or December 31, 2004. The Company did not engage in any interest rate hedging or fuel or energy hedging activity during 2005, 2004 or 2003.

Credit risk management

Credit risk relates to accounts receivable and derivative contracts and arises from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly-rated counterparties and a limit on contingent exposure has been established for any counterparty is based on that counterparty's credit rating. At December 31, 2005, the Company's gross credit exposure was $0.1 million (2004 — $34.6 million).

Fair values of financial instruments

Carrying values for primary financial instruments, including cash and cash equivalents, short-term investments and other accounts receivable, marketable securities, certain long-term investments, accounts payable and accrued liabilities, approximate fair values due to their short-term maturities. The carrying value for long-term debt (other than redeemable retractable preferred shares and capital leases**)** approximates fair value primarily due to the floating rate nature of the debt instruments.

Fair value estimates for derivative contracts are based on quoted market prices for comparable contracts and represent the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at December 31. The following table represents the fair value gain (loss) relating to derivative contracts outstanding as at December 31:

	2005	2004
Gold forward sales contracts[(a)]	**$ —**	$ 3.0
Call options sold[(a)]	**$ (6.2)**	$ —
Foreign currency contracts[(b)]	**$ 0.1**	$ 1.9

(a) Based on a spot gold price of $513 and $436 per ounce as at December 31, 2005 and 2004, respectively.

(b) Based on a Brazilian real exchange rate at December 31, 2005 of 2.3407 and a Canadian dollar exchange rate of 1.2036 and at December 31, 2004.

9. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt

	Interest Rates	2005	2004
Corporate revolving credit facility	Variable	**$ 140.0**	$ 105.0
Refugio credit facility	Variable	**5.5**	—
Kubaka project-financing debt — EBRD loan	Variable	**—**	2.7
Fort Knox capital leases	5.0%-5.25%	**0.6**	2.1
Refugio capital leases	5.7%-6.2%	**13.2**	13.1
		159.3	122.9
Less: current portion		**(9.4)**	(6.0)
Long-term debt		**$ 149.9**	$ 116.9

As of December 31, 2005, the long-term debt repayments for each of the years ending December 31 are as follows:

	2006	2007	2008	2009	2010	Total
Corporate revolving credit facility	$ —	$ —	$ 140.0	$ —	$ —	$ 140.0
Refugio credit facility	5.5	—	—	—	—	5.5
Fort Knox capital leases	0.6	—	—	—	—	0.6
Refugio capital leases	3.3	2.9	3.0	3.9	0.1	13.2
Total long-term debt payable	$ 9.4	$ 2.9	$ 143.0	$ 3.9	$ 0.1	$ 159.3

Syndicated credit facility

In December 2004, the Company replaced a $125.0 million credit facility with a three-year $200.0 million revolving credit facility. The Company borrowed $105.0 million under the new facility to satisfy a portion of the cost to purchase the remaining 51% interest in the Paracatu mine. The facility also provides credit support for letters of credit issued to satisfy financial assurance requirements, primarily associated with reclamation related activities.

The credit agreement allowed for existing lenders to increase their exposure or new lenders to join up to an aggregate limit of $300.0 million. In February 2005, the limit was increased by $15.0 million, which the Company drew down on as a LIBOR loan for working capital purposes. In March 2005, the limit was increased by $10.0 million to allow for the issue of additional letters of credit. In April 2005, the outstanding limit was increased to $295.0 million and the maturity date extended to April 30, 2008. The assets of the Fort Knox mine and shares of certain wholly owned subsidiaries are pledged as collateral for this facility. The credit agreement can be drawn in U.S. or Canadian dollars and allows for up to seventy percent of the outstanding limit to be drawn in gold. The facility can be extended at each of the first two maturity dates by an additional year at the option of the lenders. Issue costs of $3.0 million were deferred on the balance sheet and are being amortized over the term of the new facility. At December 31, 2005, the balance of the unamortized deferred financing charges totaled $2.1 million.

Pricing is dependent upon the ratio of the Company's net debt to operating cash flow. Assuming the Company maintains a leverage ratio less than 1.25, interest charges are as follows:

Type of Credit	Interest rates in credit facility
Dollar based Libor loan	LIBOR plus 1.00%
Letters of credit	1.00%
Bullion loan	Gold lease rate plus 1.25%
Standby fee applicable to unused availability	0.25%

The credit agreement contains various covenants that include limits on indebtedness, distributions, asset sales and liens. Significant financial covenants include a minimum tangible net worth of $727.9 million for 2005 and 2004, an interest coverage ratio of 4.5:1.0, net debt to operating cash flow of 3.0:1.0 and minimum proven and probable reserves of 6.0 million gold equivalent ounces.

Refugio credit facility

During 2005, ScotiaBank Sud Americano extended a $12.0 million credit facility to CMM, the Chilean company that owns the Refugio mine. Kinross owns 50% of CMM. The Company, along with its joint venture partner on the Refugio mine, Bema Gold Corporation, arranged for the credit facility to fund any additional CMM cash requirements. The Company is the guarantor of the agreement. Funds drawn on the facility are in the form of one-year promissory notes with a maturity date of one year and bear an interest rate of 30 day LIBOR plus 1.24%. Interest is payable every 90 days on all drawn amounts. As at December 31, 2005, CMM has drawn down $11.0 million on this facility. The Company's 50%, representing $5.5 million, is included in the financial statements under the current portion of long-term debt.

Kubaka project financing debt — EBRD loan

The $2.7 million loan from the European Bank for Reconstruction and Development ("EBRD") which was outstanding as at December 31, 2004 was repaid on December 15, 2005.

Capital leases

The Company has capital leases at its Refugio and Fort Knox mines. During 2005, the Company purchased $2.0 million (Kinross share) of equipment under capital leases at its Refugio mine, bringing the total of equipment under capital leases at the mine to $13.2 million, as at December 31, 2005. The capital leases have an interest rate that is based on the average U.S. federal SWAP rate plus 1.95%. At December 31, 2005, Fort Knox had equipment under capital lease totaling $0.6 million and the interest rate is based on the U.S. Prime Rate. The Company recorded interest expense related to the capital leases of $0.7 million, $0.9 million and $1.6 million for the years ended December 31, 2005, 2004 and 2003. Repayments on the Refugio lease end in 2010. The Fort Knox capital lease payments end in 2006. The underlying equipment secures these leases.

For the years ended December 31, 2005 and 2004, the capital lease obligations are as follows:

	2005	2004
2005	$ —	$ 4.2
2006	4.8	3.3
2007	3.4	3.3
2008	3.3	3.3
2009	4.1	3.5
2010	0.1	—
Total minimum lease payments	15.7	17.6
Less amount representing interest	1.9	2.4
Present value of net minimum lease payments	13.8	15.2
Current portion of obligations under capital lease	3.9	3.3
	$ 9.9	$ 11.9

Echo Bay credit facility

The Company assumed a $4.0 million cash collateralized credit facility in the business combination with Echo Bay. The purpose of this collateralized credit facility was to issue letters of credit to a surety underwriter who had underwritten surety bonds on Echo Bay properties. During 2004, $3.8 million in restricted cash was returned to the Company by the financial institution holding the credit facility and $0.2 million was posted with the surety underwriter, replacing the remaining letters of credit. The financial institution simultaneously cancelled the credit facility.

10. RECLAMATION AND REMEDIATION OBLIGATIONS

The Company's mining and exploration activities are subject to various laws and regulations for federal, regional and various international jurisdictions governing the protection of the environment. These laws and regulations are continually changing. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements. Reclamation and remediation obligations arise from the acquisition, development, construction and normal operations of mining property, plant and equipment.

The Company recorded accretion expense of $56.0 million, $21.4 million and $9.0 million and depreciation expense of $7.9 million, $13.8 million and $8.9 million related to reclamation and remediation obligations and the related assets for the years ended December 31, 2005, 2004 and 2003, respectively. Included in the accretion expense for the year ended December 31, 2005 is $46.0 million which represents an increase in the estimated fair value of reclamation and remediation obligation to $175.9 million, as at December 31, 2005. The undiscounted amount of estimated cash flows, before inflation, to settle the reclamation and remediation obligations is approximately $211.4 million. The majority of the expenditures are expected to occur from 2006 to 2035. The credit adjusted risk-free rate used in estimating the site restoration cost obligation was 7%, 6% and 7% and the inflation rates used were 2.5%, 2% and 2% for the years ended December 31, 2005, 2004 and 2003, respectively.

The following table provides a reconciliation of the reclamation and remediation obligations for the years ended December 31:

	2005	2004	2003
Balance at January 1	**$ 131.7**	$ 130.3	$ 69.5
Additions resulting from acquisitions[(a)]	**—**	5.4	65.6
Reclamation spending	**(24.0)**	(17.9)	(19.3)
Accretion and reclamation expense	**56.0**	21.4	9.0
Foreign exchange	**—**	0.8	2.3
Asset retirement cost	**12.2**	(6.7)	3.2
Other	**—**	(1.6)	—
Balance at December 31	**$ 175.9**	$ 131.7	$ 130.3

(a) Reflects the 2004 acquisition of remaining 51% of Paracatu and 2003 acquisitions of TVX and Echo Bay as well as the increase in ownership of Kubaka.

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. While there were no assets that were legally restricted for purposes of settling reclamation and remediation obligations as at December 31, 2005, letters of credit totaling $110.3 million had been issued to various regulatory agencies to satisfy financial assurance requirements for this purpose. The letters of credit were issued against the Company's credit facility.

11. CONVERTIBLE DEBENTURES

On December 5, 1996, the Company issued unsecured subordinated convertible debentures in the aggregate principal amount of $146.0 million (CDN $200.0 million). The debentures bore interest at 5.5% per annum, matured on December 5, 2006, and, at the holders' option, were convertible into common shares of the Company at a conversion price of CDN $40.05 per share, being a rate of 24.9687 common shares per CDN $1,000 principal amount of debentures. Interest was payable in cash; however, the Company had the right to settle the principal amount by the issuance of common shares. On or after December 31, 2001, the debentures were redeemable at par plus accrued and unpaid interest.

During 2005, the Company adopted a change in accounting treatment as outlined in Section 3860 (see Note 2). The Convertible debentures were bifurcated into a principal and an option component for accounting purposes. The principal component was recorded as debt and the option component recorded as equity. The principal component was accreted over the life of the convertible debentures through periodic charges to expense.

On September 29, 2003, Kinross redeemed all of the outstanding convertible debentures at par plus accrued interest. The total payment was $146.8 million (CDN $198.3 million), comprised of the principal amount of $144.8 million (CDN $195.6 million) and accrued interest of $2.0 million (CDN $2.7 million). The Company recognized a net gain on redemption of $15.4 million, which was apportioned between the principal and option components, based on their relative fair values compared to their carrying values. The Company recorded a loss on the principal component of $16.6 million which is recorded in other expense and a gain on the option component of $32.0 million which is recorded in accumulated deficit.

As at December 31, 2005 and 2004, there are no outstanding debentures.

12. REDEEMABLE RETRACTABLE PREFERRED SHARES

The redeemable retractable preferred shares entitle the holder to receive a CDN $0.80 per share fixed cumulative annual preferential cash dividend, payable in equal quarterly installments and is entitled at any time to convert all or any part of the redeemable retractable preferred shares into common shares on the basis of 2.7518 common shares for each redeemable retractable preferred share so converted, subject to anti-dilution adjustments. The Company may at any time redeem, upon a minimum thirty day notice, all or any part of the redeemable retractable preferred shares at a price of CDN $10.00 per share, together with unpaid dividends accrued to the date of redemption. The holder of the redeemable retractable preferred shares is entitled to require the Company to redeem for cash all or any part of the redeemable retractable preferred shares at this price. These redeemable retractable preferred shares are outstanding and held by a former senior officer and director of the Company. As at December 31, 2005 and 2004, the redeemable preferred shares outstanding were 311,933. During 2004, 72,680 redeemable retractable preferred shares were converted into 200,001 common shares of the Company. There were no conversions during 2005. See Note 24 (b) Subsequent events for further discussion.

13. CONVERTIBLE PREFERRED SHARES OF SUBSIDIARY COMPANY

The convertible preferred shares of subsidiary company were comprised of 1,835,777 shares of $3.75 Series B Convertible Preferred Shares of Kinam ("Kinam Preferred Shares"). The Kinam Preferred Shares are exchangeable into common shares of the Company at a conversion price of $30.92 per share (equivalent to a conversion rate of 1.6171 common shares for each Kinam Preferred Share), subject to adjustment in certain events.

The Kinam Preferred Shares are redeemable at the option of the Company at anytime on or after August 15, 1997, in whole or in part, for cash initially at a redemption price of $52.63 per share declining ratably annually to $50.00 per share on or after August 15, 2004, plus accrued and unpaid dividends.

Annual cumulative dividends of $3.75 per share are payable quarterly on each February 15, May 15, August 15 and November 15, as and if declared by Kinam's Board of Directors. No dividends were declared or paid on the Kinam Preferred Shares during 2005, 2004 or 2003. Dividend payments on these shares were suspended in accordance with their terms in August 2000 and continue to remain suspended. The cumulative dividends in arrears on the Kinam Preferred Shares owned by non-affiliated shareholders of $4.2 million and $3.4 million as at December 31, 2005 and 2004, respectively, have been accrued and included in the carrying value of the convertible preferred shares of subsidiary company. These convertible preferred shares are also considered as a form of non-controlling interests.

During 2005, 506 Kinam Preferred Shares, net of adjustments, were exchanged into 1,000 common shares of the Company. During 2004, 1,722 Kinam Preferred Shares were exchanged into 2,781 common shares of the Company. During 2003, 14,700 Kinam Preferred Shares were acquired at $18.00 per share and a further 1,645 Kinam Preferred Shares were exchanged into 2,657 common shares of the Company. There were 204,955, 205,461 and 207,183 Kinam Preferred Shares held by non-affiliated shareholders as at December 31, 2005, 2004 and 2003, respectively. If all the Kinam Preferred Shares owned by non-affiliated shareholders were exchanged, an additional 331,284 common shares of the Company would be issued.

14. COMMON SHARE CAPITAL AND COMMON SHARE PURCHASE WARRANTS

The authorized share capital of the Company is comprised of an unlimited number of common shares. A summary of common share transactions for each of the years in the three-year period ended December 31, 2005 is as follows:

	2005		2004		2003	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	(000's)	$	(000's)	$	(000's)	$
Common shares						
Balance, January 1 [(a)]	**345,066**	**$ 1,766.4**	345,638	$ 1,774.1	136,201	$ 1,049.1
Issued (cancelled):						
Repurchase and cancellation of shares	**—**	**—**	(1,609)	(11.8)	—	—
Reduction of stated capital	**—**	**—**	—	—	—	(761.4)
Acquisition of TVX	**—**	**—**	—	—	93,931	670.7
TVX options assumed	**—**	**—**	—	—	—	6.8
Acquisition of Echo Bay	**—**	**—**	—	—	83,903	599.1
Echo Bay options assumed	**—**	**—**	—	—	—	1.5
Common share offering	**—**	**—**	—	—	23,000	145.9
Under employee share purchase plan	**213**	**1.4**	218	1.4	138	1.0
Under stock option and restricted share plan	**137**	**0.5**	616	3.2	1,736	6.1
Expiry of TVX and Echo Bay options	**—**	**(0.1)**	—	(1.1)	—	(0.4)
Expiry of Echo Bay warrants	**—**	**—**	—	—	—	(0.2)
Conversions:						
Echo Bay warrants	**—**	**—**	—	—	6,727	55.9
Kinam Preferred Shares	**1**	**—**	3	—	2	—
Redeemable retractable preferred shares	**—**	**—**	200	0.6	—	—
Balance, December 31	**345,417**	**$ 1,768.2**	345,066	$ 1,766.4	345,638	$ 1,774.1
Common share purchase warrants [(b)]						
Balance, January 1	**8,333**	**$ 9.4**	8,333	$ 9.4	8,333	$ 9.4
Upon acquisition of TVX and Echo Bay	**—**	**—**	—	—	6,794	21.0
Exercise/expiry of TVX and Echo Bay warrants	**—**	**—**	—	—	(6,794)	(21.0)
Balance, December 31	**8,333**	**$ 9.4**	8,333	$ 9.4	8,333	$ 9.4
Total common share capital		**$ 1,777.6**		$ 1,775.8		$ 1,783.5

(a) On January 28, 2003, the shareholders of the Company authorized the consolidation of one consolidated common share for every three old common shares of the issued and outstanding common shares of the Company. The consolidation was made effective on January 31, 2003. All share capital, share and option data for 2002 and January 2003 in the accompanying consolidated financial statements and notes have been retroactively revised to reflect this share consolidation (see Note 3).

(b) On December 5, 2002, the Company issued 16.6 million common shares and 25.0 million common share purchase warrants, for total proceeds, before costs of issue, of $97.7 million. Three common share purchase warrants can be exercised on or before December 5, 2007 for one common share at an exercise price of CDN $15.00. The fair value of the common share purchase warrants was $9.4 million.

On November 26, 2004, the Company held a special meeting of its shareholders and approved an amendment to the Company's articles to effect a consolidation (reverse split) of its common shares on a 100:1 basis, followed by an immediate deconsolidation (split) of such shares on a 1:100 basis. The effective date for the consolidation was December 5, 2004 and with the deconsolidation to follow immediately on December 6, 2004 to allow Kinross common shares to begin trading under its new CUSIP number. Shareholders holding less than 100 pre-consolidation shares received a cash payment of CDN $9.71 or US $8.19 per share (equal to the weighted average trading price per share on the Toronto Stock Exchange for the five trading days prior to November 26, 2004). Shareholders holding 100 or more pre-consolidation shares were not affected by the consolidation/deconsolidation except for the change in CUSIP numbers. As a result of this transaction, the Company repurchased 1,608,844 of its common shares for $11.8 million.

During November 2003, the Company issued 6.7 million common shares from treasury upon the exercise of Echo Bay warrants assumed on the acquisition of Echo Bay resulting in an increase in common share equity of $55.9 million. This increase was comprised of $21.0 million being the fair value of warrants assumed at acquisition and $34.9 million of cash received on the exercise date.

On August 28, 2003, the Company issued 23.0 million common shares from treasury for total proceeds, before costs of issue, of $152.5 million. The net proceeds from the offering were used to redeem Kinross' outstanding 5.5% convertible unsecured subordinated debentures (see Note 11).

On January 31, 2003, the Company issued 93.9 million common shares from treasury to effect a combination with TVX under a plan of arrangement whereby shareholders of TVX received 2.1667 common shares of the Company for each TVX common share. Also pursuant to the arrangement, the Company issued 83.9 million common shares from treasury to effect a combination with Echo Bay whereby shareholders of Echo Bay received 0.1733 common shares of the Company for each Echo Bay common share. The aggregate fair value of the Company's common shares issued with respect to these acquisitions was $1,269.8 million (see Note 5). At the same meeting, the shareholders of the Company approved the elimination of the Company's accumulated deficit balance of $761.4 million at December 31, 2002 through a reduction in the Company's stated share capital.

15. STOCK-BASED COMPENSATION

Stock-based compensation recorded during the years ended December 31 was as follows:

	2005	2004	2003
Stock option plan expense	**$ 2.7**	$ 1.4	$ —
Employer portion of stock purchase plan	**0.5**	0.5	0.5
Restricted share plan expense	**1.3**	0.7	—
Deferred share units expense	**0.4**	0.3	0.1
Total stock-based compensation	**$ 4.9**	$ 2.9	$ 0.6

Share purchase plan

The Company has an employee share purchase plan whereby employees of the Company have an opportunity to purchase common shares. The plan allows employees to contribute up to a maximum of 10% of their annual base salary. In 2003, the Company matched 100% of the employee's contributions. Beginning in 2004, the Company began matching 50% of the employees' contributions. Each quarter, the Company issues from treasury common shares equal to the employees' contribution and the Company's contribution. The common shares are purchased based on the average of the last twenty trading sessions prior to the end of the quarter. The number of shares issued by the Company and the weighted average of the price per share for the years ending December 31 is as follows:

	2005	2004	2003
Kinross Gold Corporation common shares issued	**213**	218	138
Weighted-average price of shares issued	**$ 6.89**	$ 6.36	$ 7.28

Restricted share plan

On February 15, 2001, the Company adopted a restricted share plan. The restricted share plan provides that restricted share rights may be granted to employees, officers, directors and consultants of the Company. A restricted share right is exercisable into one common share entitling the holder to acquire the common share for no additional consideration. Restricted share rights vest over a three-year period. The remaining maximum number of common shares issuable under the restricted share plan is currently 772,546. There were 457,547 and 567,464 restricted share rights granted and outstanding as at December 31, 2005 and 2004, respectively.

Deferred share unit plan

On October 1, 2003, the Company adopted a Deferred Share Unit ("DSU") Plan for its outside directors. The DSU plan provides that each outside director receives, on the date in each quarter which is two business days following the publication by the Company of its earnings results for the previous quarter, (or year in the case of the first quarter), that number of DSU's having a value equal to 50% of the compensation of the outside director for the current quarter. The number of DSU's granted to an outside director is based on the closing price of the Company's common shares on the Toronto Stock Exchange on the business day immediately preceding the date of grant. At such time as an outside director ceases to be a director, the Company will make a cash payment to the outside director, equal to the market value of a Kinross common share on the date of departure, multiplied by the number of DSU's held on that date. There were 95,845 and 57,409 DSU's outstanding as at December 31, 2005 and 2004, respectively.

Stock option plan

The Company has a stock option plan for directors, officers and employees, enabling them to purchase common shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding common shares. Each option granted under the plan is for a maximum term of five years and for options granted before July 20, 2000, one-third of the options are exercisable each year, commencing one year after the date of grant. For options granted between July 20, 2000 and September 19, 2001, one-half of the options are exercisable immediately and one-half of the options granted are exercisable on or after the first anniversary date of such grant. For options granted to the Chairman, President and Directors subsequent to September 19, 2001, one-third of the options are exercisable each year commencing one year after the date of grant. For options granted to all other officers and employees subsequent to September 19, 2001, one-half of the options are exercisable each year commencing one year after the date of grant. Effective November 24, 2003, one-third of the options are exercisable each year commencing one year after the date of grant. The exercise price is determined by the Company's Board of Directors at the time the option is granted, subject to regulatory approval and may not be less than the closing market price of the common shares on the last trading day prior to the grant of the option. The stock options outstanding at December 31, 2005 expire at various dates to 2010. As at December 31, 2005, 3,216,130 common shares, in addition to those outstanding at year end, were available for granting of options.

In November 2001, the CICA issued Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments" ("Section 3870"), which was revised in November 2003. Section 3870 establishes standards for the recognition, measurement, and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services and applies to transactions, including non-reciprocal transactions, in which an enterprise grants common shares, stock options or other equity instruments, or incurs liabilities based on the price of common shares or other equity instruments. Section 3870 outlines a fair value based method of accounting required for stock-based transactions, effective January 1, 2002 and applied to awards granted on or after that date.

The adoption of the fair value based method for all awards impacted the Company's method of accounting for stock options. As a result, stock option compensation (pre-tax) of $2.5 million was recorded as a cumulative effect of the adoption as an adjustment to the opening accumulated deficit as at January 1, 2004, in the consolidated statements of common shareholders' equity and on adoption $0.2 million was recorded as an increase in the value of common shares on the exercise of options.

A summary of the status of the stock option plan as at December 31, 2005, 2004, and 2003, and changes during the years ended on those dates, is as follows:

	2005	2004	2003
	(000's)	(000's)	(000's)
Outstanding at January 1	3,497	3,452	3,319
Exercised	(133)	(579)	(1,736)
Granted	—	1,229	712
Options assumed on acquisition	—	—	2,116
Cancelled	(990)	(605)	(959)
Outstanding at December 31	2,374	3,497	3,452

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2005:

	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price
	(000's)	($)	(years)	(000's)	($)
$1.62 - $2.42	5	$ 1.62	—	5	$ 1.62
$2.43 - $3.65	281	$ 2.81	0.8	281	$ 2.81
$3.66 - $5.49	3	$ 5.25	1.8	3	$ 5.25
$5.50 - $8.25	1,033	$ 7.08	2.6	788	$ 5.27
$8.26 - $12.39	932	$ 8.33	3.9	333	$ 3.00
$12.40 - $82.34	120	$ 36.11	1.4	120	$ 36.11
	2,374	$ 8.51	2.8	1,530	$ 6.72

The following weighted average assumptions were used in computing the fair value of stock options for the following years:

	2005[a]	2004	2003
Black-Scholes weighted-average assumptions			
Expected dividend yield	—	0.0%	0.0%
Expected volatility	—	40.4%	68.2%
Risk-free interest rate	—	3.2%	3.2%
Expected option life in years	—	3.5	5.0
Weighted average fair value per stock option granted	—	$ 3.18	$ 6.31

(a) There were no stock options granted in 2005; therefore, there is no value assigned to any options.

16. EARNINGS (LOSS) PER SHARE

As a result of the net loss for the years ended December 31, 2005, 2004 and 2003, diluted earnings per share was calculated using the basic weighted average shares outstanding because to do otherwise would have been anti-dilutive.

17. INCOME AND MINING TAXES

The following table shows the recovery of (provision for) income and mining taxes:

	2005	2004	2003
Income taxes			
Current			
Canada[a]	**$ (0.5)**	$ (0.5)	$ (0.6)
Foreign	**(1.3)**	(17.3)	(16.2)
Future			
Canada	**—**	—	—
Foreign	**5.7**	28.2	11.4
Mining taxes			
Current — Canada	**(0.3)**	—	—
Future — Canada	**9.3**	1.1	1.3
Total	**$ 12.9**	$ 11.5	$ (4.1)

(a) Represents Large Corporations Tax.

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate is as follows:

	2005	2004	2003
Combined statutory income tax rate	**(34.1%)**	(39.1%)	(39.1%)
Decrease (increase) resulting from:			
Mining taxes	**(4.1%)**	(1.4%)	(0.3%)
Resource allowance and depletion	**(4.7%)**	(16.3%)	(0.6%)
Difference in foreign tax rates	**(2.6%)**	(23.6%)	1.2%
Benefit of losses not recognized	**40.0%**	64.2%	39.7%
Other	**(0.2%)**	0.7%	0.0%
Effective tax rate	**5.7%**	(15.5%)	0.9%

The following information summarizes the principal temporary differences and the related future tax effect:

	2005	2004
Future tax assets — gross		
Accrued expenses and other	$ 15.9	$ 18.9
Reclamation and remediation obligations	36.8	36.0
Alternative minimum tax credits	23.8	11.3
Non-capital loss carryforwards	318.5	306.4
Inventory capitalization	0.4	0.3
Property, plant and equipment	140.3	111.1
Gross future tax assets	535.7	484.0
Valuation allowance	(521.2)	(423.5)
	14.5	60.5
Future tax liabilities — gross	—	
Property, plant and equipment	144.1	180.4
Gross future tax liabilities	144.1	180.4
Net future tax liabilities	$ 129.6	$ 119.9

(a) At December 31, 2005, the Company has Canadian losses carried forward of approximately $171.4 million that expire in 2006 through 2015, including approximately $93.4 million that are limited in their deduction to income from specific operations.

(b) At December 31, 2005, the Company has U.S. net operating loss carry forwards of approximately $615.7 million and alternative minimum tax net operating losses of approximately $350.7 million expiring in 2006 through 2023. The use of the U.S. loss carry forwards will be limited in any given year as a result of previous changes in ownership of the Company.

(c) At December 31, 2005, the Company has Chilean net operating loss carry forwards of approximately $179.8 million that do not expire.

(d) At December 31, 2005, the Company has Australian net operating loss carry forwards of approximately $14.2 million that do not expire.

(e) During 2005, the Chilean Congress passed a tax bill enacting a maximum 5% tax on mine operating profits, effective January 1, 2006. MDO, the operator of the La Coipa mine, has opted out of its DL600 tax stability clause and applied for an invariable tax rate of 4% for a period of 12 years. CMM, the operator of the Refugio mine, continues to operate under its DL600 tax stability agreement. As such, the new mining tax will not apply to Refugio unless CMM elects to opt out of its DL600 tax stability clause in the future. The final regulations relating to the new mining tax have yet to be issued, thus the Company cannot determine the exact impact of the change at this time.

18. SEGMENTED INFORMATION

The Company operates primarily in the gold mining industry. Its activities include gold production, exploration for gold and the acquisition of gold properties. The Company's primary mining operations are in North America, South America and Russia and are supported by three corporate offices, one each in Canada, the United States and Brazil. The Company's major product is gold. Segments are operations reviewed by the Chief Operating Decision Maker (Chief Executive Officer). Reportable segments are identified based on quantitative thresholds, which are those operations whose revenues, earnings (loss) or assets are greater than 10% of the total consolidated revenues, earnings (loss) or assets of all the reportable segments. In addition, the Company considers qualitative factors, such as which operations are considered to be significant by the Chief Operating Decision Maker. Less significant properties that are either producing or in development prior to commercial production are classified as Other operations. Operations under care and maintenance or shutdown (properties in the reclamation phase), less significant non-mining operations and other operations not meeting these thresholds are included in Corporate and other. At December 31, 2005, the Company's reportable segments reflect reduced management focus such as Kubaka, which is now classified within Other operations and properties in care and maintenance or disposed such as Lupin, New Britannia and Aquarius which are now part of Corporate and other. Prior year segment information has been revised to reflect the 2005 classifications.

Operating results by segments:

The following tables set forth information by segment for the following periods:

	Metal sales	Cost of sales[a]	Accretion	DD&A[b]	Exploration	Impairment	Other[c]	Segment earnings (loss)
For the year ended December 31, 2005:								
Operating segments								
Fort Knox	$ 143.1	$ 88.1	$ 1.1	$ 34.8	$ 0.6	$ 141.8	$ 0.8	$ (124.1)
Round Mountain	164.0	93.7	1.8	39.5	2.4	—	—	26.6
La Coipa	60.3	45.4	0.4	15.8	1.1	—	—	(2.4)
Crixas	41.5	14.1	0.1	12.3	0.3	3.4	—	11.3
Paracatu	79.0	50.0	0.7	17.0	5.2	—	0.7	5.4
Musselwhite	34.9	26.4	0.1	12.5	1.6	2.0	—	(7.7)
Porcupine Joint Venture	80.8	50.7	11.8	14.8	3.5	—	0.9	(0.9)
Other operations	114.3	73.4	9.6	18.6	2.7	—	9.2	0.8
Corporate and other[e]	7.6	6.3	30.4	2.4	9.2	37.5	42.0	(120.2)
Total	$ 725.5	$ 448.1	$ 56.0	$ 167.7	$ 26.6	$ 184.7	$ 53.6	$ (211.2)

	Metal sales	Cost of sales[a]	Accretion	DD&A[b]	Exploration	Impairment	Other[c]	Segment earnings (loss)
For the year ended December 31, 2004:								
Operating segments								
Fort Knox	$ 143.9	$ 89.2	$ 1.3	$ 35.9	$ 0.6	$ —	$ 0.3	$ 16.6
Round Mountain	154.1	82.3	1.9	43.3	0.8	—	—	25.8
La Coipa	59.0	39.7	0.4	16.8	0.5	—	0.7	0.9
Crixas	38.2	12.2	0.1	12.8	0.3	—	—	12.8
Paracatu[d]	38.2	20.6	0.5	9.5	—	2.1	2.6	2.9
Musselwhite	32.1	21.1	0.1	12.5	2.0	—	0.2	(3.8)
Porcupine Joint Venture	78.8	44.4	2.3	22.7	3.2	—	0.5	5.7
Other operations	95.0	60.2	0.8	18.7	5.0	42.5	4.7	(36.9)
Corporate and other[e]	27.5	32.7	14.0	(2.1)	8.0	15.3	51.5	(91.9)
Total	$ 666.8	$ 402.4	$ 21.4	$ 170.1	$ 20.4	$ 59.9	$ 60.5	$ (67.9)

	Metal sales	Cost of sales[a]	Accretion	DD&A[b]	Exploration	Impairment	Other[c]	Segment earnings (loss)
For the year ended December 31, 2003:								
Operating segments								
Fort Knox	$ 136.3	$ 90.3	$ 0.6	$ 36.0	$ 2.4	$ —	$ —	$ 7.0
Round Mountain	131.9	74.9	1.6	45.0	2.1	89.9	—	(81.6)
La Coipa	51.5	34.4	0.3	17.9	0.9	68.8	—	(70.8)
Crixas	31.9	10.3	0.1	12.3	0.5	42.5	—	(33.8)
Paracatu[d]	32.0	18.0	0.5	9.8	—	99.4	1.1	(96.8)
Musselwhite	22.5	15.9	0.1	11.2	2.1	53.9	0.2	(60.9)
Porcupine Joint Venture	83.0	48.9	2.3	24.9	2.5	—	2.9	1.5
Other operations	60.7	29.8	(0.3)	16.7	5.4	—	2.5	6.6
Corporate and other[e]	22.1	39.5	3.8	(1.1)	8.4	57.0	5.3	(90.8)
Total	$ 571.9	$ 362.0	$ 9.0	$ 172.7	$ 24.3	$ 411.5	$ 12.0	$ (419.6)

(a) Cost of sales excludes accretion, depreciation, depletion and amortization.

(b) Depreciation, depletion and amortization is referred to as "DD&A" in the tables above.

(c) Other includes Other operating costs, General and administrative expenses and (Gain) on disposals of assets.

(d) The acquisition of Paracatu was completed on December 31, 2004. Therefore, the Company's 49% proportionate share of Paracatu's operating results have been included for the year ended December 31, 2004.

(e) Includes corporate, shutdown operations and other non-core operations.

Segment assets and Capital expenditures:

The following table details the segment assets and capital expenditures for the following years:

	Segment assets		Capital expenditures		
	As at December 31,		Years ended December 31,		
	2005	2004	2005	2004	2003
Operating segments					
Fort Knox	$ 161.4	$ 284.2	$ 44.6	$ 58.7	$ 26.5
Round Mountain	174.6	205.8	5.9	8.8	5.7
La Coipa	156.0	162.3	4.9	1.0	0.5
Crixas	96.2	102.9	6.2	3.6	3.2
Paracatu[a]	550.9	539.1	21.3	5.8	5.2
Musselwhite	119.5	127.0	5.7	3.9	2.7
Porcupine Joint Venture	103.3	89.3	24.7	24.5	8.3
Other operations[c]	211.3	189.6	28.1	62.0	12.6
Corporate and other[b][c]	124.9	134.0	1.0	1.2	8.7
Total	$ 1,698.1	$ 1,834.2	$ 142.4	$ 169.5	$ 73.4

(a) Segment assets reflect the 100% interest in the assets of Paracatu as a result of the acquisition of the remaining 51% interest in the Paracatu mine.

(b) Includes Corporate, shutdown operations and other non-core operations. Also includes $63.5 million and $14.4 million in cash and cash equivalents held at the Corporate level as at December 31, 2005 and December 31, 2004, respectively.

(c) Included in these categories during 2004 were Aquarius (Other operations), Norseman and E-Crete (Corporate and other). Norseman and E-Crete were subsequently sold during 2005.

Metal sales and Property, plant and equipment by geographical regions:

	Metal sales			Property, plant & equipment	
	Years ended December 31,			As at December 31,	
	2005	2004	2003	2005	2004[(a)]
Geographic information:					
United States	$ 338.8	$ 335.6	$ 268.2	$ 173.8	$ 351.4
Canada	123.3	138.4	127.6	195.2	217.8
Brazil	120.5	76.4	63.9	552.7	547.1
Chile	74.9	62.8	51.5	143.0	117.1
Russia	68.0	53.6	60.7	—	9.0
Other	—	—	—	—	1.7
Total	**$ 725.5**	**$ 666.8**	**$ 571.9**	**$ 1,064.7**	**$ 1,244.1**

(a) Property, plant and equipment reflect the 100% interest in the assets of Paracatu as a result of the acquisition of the remaining 51% interest in the Paracatu mine.

The Company is not economically dependent on a limited number of customers for the sale of its product because gold can be sold through numerous commodity market traders worldwide. For the year ended December 31, 2005, sales to four customers totaled $183.8 million, $96.0 million, $93.2 million and $71.8 million. For the year ended December 31, 2004, sales to four customers totaled $190.2 million, $108.5 million, $98.5 million, and $88.4 million. For December 31, 2003, sales to three customers totaled $139.9 million, $121.4 million and $96.2 million.

19. EMPLOYEE PENSION AND POST-RETIREMENT BENEFIT PLANS

Defined contribution pension and retirement plans

The Company has several defined contribution pension and retirement plans covering substantially all employees in North America and certain foreign countries. Under these plans, the Company either contributes a set percentage of the employee's salary or matches a percentage of the employee's contributions. The employees are able to direct the contributions into a variety of investment funds offered by the plans.

In 2004, the Company adopted an Executive Retirement Allowance Plan ("ERAP") to bring the Company's retirement arrangements for executives in line with industry standards. Executives, both in the U.S. and Canada, participating in the ERAP are unable to participate in the Company's other retirement plans. The Company has set up a letter of credit for the ERAP plan of $1.8 million. As of December 31, 2005, the liability associated with this plan was $2.0 million.

The Company's expense related to these plans was $7.1 million in 2005, $6.0 million in 2004, and $3.9 million in 2003.

Defined benefit pension plans

In Canada, the Company had a defined benefit pension plan covering the former employees of the Macassa mine. The plan was in the process of being wound up effective November 30, 2001. The Financial Services Commission of Ontario approved the wind up report early in 2003 and benefits were partially settled in 2003, 2004 and 2005. The final wind up was delayed until December 2005 due to the inability to locate some plan participants to determine whether they will receive lump sums or annuitize their entitlements. All benefits were settled by the purchase of an annuity which is being maintained by a third party benefits provider and this absolves the Company of any financial responsibility to the remaining plan members who have not been contacted.

In the United States, defined benefit plans cover former employees of the Candelaria and DeLamar mines, and certain U.S. employees of the mines previously owned by Kinam. Prior to the Kinam acquisition, all employees in the U.S. employed by Kinam were covered by a non-contributory defined benefit pension plan. That plan was frozen on June 1, 1998, and all active employees were transferred into the Company's defined contribution pension plan. Benefits under these plans are based on either the employees' compensation prior to retirement or stated amounts for

each year of service with the Company. The Company makes annual contributions to the U.S. plans in accordance with the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

The date of the actuarial valuation was December 31, 2005.

Other benefit plans

The Company provides certain health care benefits to retired employees in the United States. The retiree plan covers the former employees of the Candelaria and DeLamar mines as well as former Kinam employees. Following the acquisition of the Candelaria and DeLamar mines in August 1993, that retiree plan was frozen and employees who retired after August 1993, were not eligible to participate in the plan. Following the merger with Kinam in June 1998 that retiree plan was also frozen and employees, who retired after June 1998, were not eligible to participate in the plan, absent special circumstances. The post-retirement health plans are contributory in certain cases based upon years of service, age and retirement date. The Company does not fund post-retirement benefits other than pensions and may modify the plan provisions at its discretion.

The following tables summarize the change in benefit obligations and fair value of assets as at December 31:

	Defined benefit plans		Other benefits	
	2005	2004	2005	2004
Change in benefit obligation				
Benefit obligation, beginning of year	$ 13.0	$ 12.1	$ 2.6	$ 2.9
Interest costs	0.8	0.7	0.2	0.1
Plan participants' contributions	—	—	0.1	0.1
Actuarial loss (gain)	1.6	0.7	0.6	(0.2)
Benefits paid	(0.5)	(0.5)	(0.4)	(0.3)
Benefit obligation, end of year	$ 14.9	$ 13.0	$ 3.1	$ 2.6
Change in plan assets				
Fair value of plan assets, beginning of year	$ 10.6	$ 10.5	$ —	$ —
Actual return on plan assets	0.7	0.6	—	—
Employer contributions	—	—	0.3	0.2
Plan participant contributions	—	—	0.1	0.1
Benefits paid	(0.5)	(0.5)	(0.4)	(0.3)
Fair value of plan assets, end of year	$ 10.8	$ 10.6	$ —	$ —
Funded status	(4.1)	(2.4)	(3.1)	(2.6)
Unrecognized net actuarial loss	4.4	3.1	0.7	—
Unrecognized prior service cost	—	—	—	—
Net amount recognized	$ 0.3	$ 0.7	$ (2.4)	$ (2.6)

The following table summarizes components of net periodic pension expense for the years December 31:

	Defined benefit plans			Other benefits		
	2005	2004	2003	2005	2004	2003
Interest cost	$ 0.8	$ 0.7	$ 0.7	$ 0.2	$ 0.1	$ 0.2
Expected return on plan assets	(0.6)	(0.6)	(0.8)	—	—	—
Amortization of actuarial loss	0.2	0.2	0.1	—	—	—
Net periodic cost	$ 0.4	$ 0.3	$ —	$ 0.2	$ 0.1	$ 0.2

The following table summarizes the assumptions used in measuring the Company's benefit obligation:

	Defined benefit plans		Other benefits	
	2005	2004	2005	2004
Discount rate	5.75%	6.00%	5.60%	6.00%
Expected long-term return on plan assets	7.00%	6.00%	7.00%	6.00%
Rate of compensation increase	n/a	n/a	n/a	n/a

The expected long-term rate of return on assets was determined using a weighted average calculation for the various investments of the plans. This weighted average is based on the expected yield on bonds, based on the Moody's AA year end rate, on current short-term investment rates, the yield on cash investments, and for equities, based on current forecasts and the plans' historical return on equities. In 2005 and 2004, this weighted average was determined to be 7% and 6%, respectively.

The following table summarizes the assumed health care trend rates at December 31:

	2005	2004
Health care cost trend rate assumed for next year	9.95%	10.25%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.50%	5.50%
Year that the rate reaches the ultimate trend rate	2018	2018

The assumed health care cost trend rates can have a significant effect on the amounts reported for the health care plans:

	2005	2004
Effect on total of service and interest cost		
1% increase	$ —	$ —
1% decrease	$ —	$ —
Effect on post-retirement benefit obligation		
1% increase	$ 0.4	$ 0.3
1% decrease	$ (0.3)	$ (0.3)

Plan assets

The allocation of plan assets is set forth in the Investment Policy Statement. The Investment Policy Statement delegates authority to the Kinross Gold U.S.A., Inc. Employee Benefits Committee (the "Committee") to maintain and establish investment policies relating to the defined benefit and defined contribution pension plans. The Kinross Gold U.S.A., Inc. Board of Directors approves these policies and any changes to these policies.

In 2004, the Committee requested an actuarial evaluation of the feasibility and advisability of terminating the DeLamar\Candelaria Retirement Plan and the Retirement Plan for Non-Exempt Employees of AMAX Gold (collectively, the "Plans") on behalf of Kinross Gold U.S.A., Inc. and Kinam Gold, Inc., the companies that sponsor the respective Plans. The companies, as sponsor of the respective Plans, ultimately determine whether or not to terminate the Plans. During the evaluation period and pending receipt of analysis regarding termination of the Plans, investments did not conform to the written investment policy and guidelines established for the Plans. The Plans remained in fixed income and cash positions so as to be in a position to readily liquidate Plan assets in the event a termination occurred. In November 2004, following the conclusion of the evaluation, no Plan terminations occurred. In light of the determination to continue the Plans, the Committee reviewed the asset allocation and investment policy in effect and determined to recommend changes to the Kinross Gold U.S.A., Inc. Board to provide more flexibility to address the returns for the plans in light of their on-going status. The Board approved the revised allocations and investment policy on January 11, 2005. Asset allocations were altered in 2005 so as to conform to the revised asset allocation and investment policy guidelines.

The Company has adopted the following standards for the Committee to follow when deciding how to invest the plan assets.

Assets shall be invested:

- In the sole interest of the plan participants and beneficiaries;
- With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims in compliance with Section 404(A) of ERISA, and other applicable provisions of ERISA; and

- By diversifying the investments so as to minimize the risk of large losses as well as provide a reasonable rate of return on the assets.

The following table summarizes the target asset allocation as of December 31:

Asset category	2005	2004
Equities	40%-60%	40%-60%
Fixed income	40%-60%	40%-60%
Cash and other investments	0%-20%	0%-20%

The following table summarizes the defined benefit plan asset weighted-average asset allocation percentages by asset category:

Asset category	2005	2004
Equities	46%	24%
Fixed income	47%	54%
Cash and other investments	7%	22%

Contributions

The Company has requirements under ERISA to contribute to its defined benefit pension plans. Additionally the Company also has the option to make voluntary contributions. The Company expects to contribute $0.8 million to its post-retirement benefit plans in 2006.

Estimated future benefit payments

The following table summarizes the expected future benefit payments by the years indicated:

	Defined benefit plan	Other benefits
2006	$ 0.3	$ 0.3
2007	$ 0.3	$ 0.2
2008	$ 0.5	$ 0.2
2009	$ 0.4	$ 0.2
2010	$ 0.7	$ 0.2
2011-2015	$ 3.7	$ 0.9

Post-employment benefits

The Company has a number of post-employment plans covering severance and disability income. At December 31, 2005 and 2004, the Company's liability for post-employment benefits totaled $5.5 million ($0.3 million in current liabilities) and $6.6 million ($1.6 million in current liabilities), respectively.

20. OPERATING LEASES

The Company has a number of operating lease agreements primarily involving office space. The operating leases for equipment provide that the Company may, after the initial lease term, renew the lease for successive yearly periods or may purchase the equipment at its fair market value. One of the operating leases for office facilities contains escalation clauses for increases in operating costs and property taxes. A majority of these leases are cancelable and are renewable on a yearly basis. Future minimum lease payments required to meet obligations that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2005 are as follows:

	Minimum lease payments
2006	$ 5.7
2007	4.7
2008	4.8
2009	5.4
2010	1.3
Thereafter	—
Total	$ 21.9

Rent expense was $5.4 million, $2.1 million and $3.1 million in 2005, 2004 and 2003, respectively.

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("CDN GAAP"), which differ from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Material variations between financial statement items under CDN GAAP and the amounts determined using U.S. GAAP are as follows:

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED BALANCE SHEETS
(*expressed in millions of U.S. dollars*)
As at December 31, 2005

	Under CDN GAAP	Elimination of effects of recognizing the equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassi-fication of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Minimum pension liability	Goodwill impairment	Stock-based compensation	Under U.S. GAAP
		(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(k)*	*(d)*	*(l)*	
Assets														
Current assets														
Cash and cash equivalents	$ 97.6	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	97.6
Restricted cash	1.3	—	—	—	—	—	—	—	—	—	—	—	—	1.3
Short-term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable and other assets	27.8	—	—	—	—	—	—	—	—	—	—	—	—	27.8
Inventories	115.2	—	—	—	—	—	—	—	—	—	—	—	—	115.2
	241.9	—	—	—	—	—	—	—	—	—	—	—	—	241.9
Property, plant and equipment	1,064.7	—	—	—	—	—	—	—	—	—	—	—	—	1,064.7
Goodwill	321.2	—	—	—	—	—	—	—	—	40.8	—	(40.2)	—	321.8
Long-term investments	21.2	—	—	—	6.5	—	—	—	—	—	—	—	—	27.7
Deferred charges and other long-term assets	49.1	—	—	—	—	—	—	—	—	—	—	—	—	49.1
	$1,698.1	$ —	$ —	$ —	$ 6.5	$ —	$ —	$ —	$ —	$ 40.8	$ —	$ (40.2)	$ —	$ 1,705.2
Liabilities														
Current liabilities														
Accounts payable and accrued liabilities	$ 132.2	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	132.2
Current portion of long-term debt	9.4	—	—	—	—	—	—	—	—	—	—	—	—	9.4
Current portion of reclamation and remediation obligations	36.3	—	—	—	—	—	—	—	—	—	—	—	—	36.3
	177.9	—	—	—	—	—	—	—	—	—	—	—	—	177.9
Long-term debt	149.9	—	—	—	—	—	—	—	—	—	—	—	—	149.9
Reclamation and remediation obligations	139.6	—	—	—	—	—	—	—	—	—	—	—	—	139.6
Future income and mining taxes	129.6	—	—	—	—	—	—	—	—	—	—	—	—	129.6
Other long-term liabilities	7.9	—	—	—	—	—	—	—	—	—	4.4	—	—	12.3
Redeemable retractable preferred shares	2.7	—	—	—	—	—	—	—	—	—	—	—	—	2.7
	607.6	—	—	—	—	—	—	—	—	—	4.4	—	—	612.0
Non-controlling interest	0.3					—	—	—	—	—	—	—	—	0.3

Convertible preferred shares of subsidiary company	14.1	—	—	—	—	—	—	—	—	—	—	—	—	14.1
Common shareholders' equity											—	—	—	
Common share capital and common share purchase warrants	1,777.6	—	—	766.7	—	—	(1.1)	—	—	—	—	—	—	2,543.2
Contributed surplus	52.6	(32.0)	—	—	—	—	—	—	—	—	—	—	(2.5)	18.1
Accumulated deficit	(752.9)	32.0	—	(766.7)	—	—	1.1	—	—	40.8	—	(40.2)	2.5	(1,483.4)
Cumulative translation adjustments	(1.2)	—	—	—	—	—	—	1.2	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	6.5	—	—	(1.2)	—	—	(4.4)	—	—	0.9
	1,076.1	—	—	—	6.5	—	—	—	—	40.8	(4.4)	(40.2)	—	1,078.8
	$1,698.1	$ —	$ —	$ —	$ 6.5	$ —	$ —	$ —	$ —	$ 40.8	$ —	$ (40.2)	$ —	$ 1,705.2

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED BALANCE SHEETS
(*expressed in millions of U.S. dollars*)
As at December 31, 2004

	Under CDN GAAP	Elimination of effects of recognizing the equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassification of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Minimum pension liability	Goodwill impairment	Stock-based compensation	Under U.S. GAAP
		(a)	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(k)*	*(d)*	*(l)*	
Assets														
Current assets														
Cash and cash equivalents	$ 47.9	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 47.9
Restricted cash	1.4	—	—	—	—	—	—	—	—	—	—	—	—	1.4
Short-term investments	5.7	—	—	—	—	—	—	—	—	—	—	—	—	5.7
Marketable securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accounts receivable and other assets	37.6	—	—	—	0.1	(4.7)	—	—	—	—	—	—	—	33.0
Inventories	111.0	—	—	—	—	—	—	—	—	—	—	—	—	111.0
	203.6	—	—	—	0.1	(4.7)	—	—	—	—	—	—	—	199.0
Property, plant and equipment	1,244.1	—	(24.4)	—	—	—	—	—	—	—	—	—	—	1,219.7
Goodwill	329.9	—	—	—	—	—	—	—	—	40.8	—	(40.2)	—	330.5
Long-term investments	25.7	—	—	—	5.5	—	—	—	—	—	—	—	—	31.2
Deferred charges and other long-term assets	30.9	—	—	—	—	—	—	—	—	—	—	—	—	30.9
	$1,834.2	$ —	$ (24.4)	$ —	$ 5.6	$ (4.7)	$ —	$ —	$ —	$ 40.8	$ —	$ (40.2)	$ —	$ 1,811.3
Liabilities														
Current liabilities														
Accounts payable and accrued liabilities	$ 146.4	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 146.4
Current portion of long-term debt	6.0	—	—	—	—	—	—	—	—	—	—	—	—	6.0
Current portion of reclamation and remediation obligations	23.6	—	—	—	—	—	—	—	—	—	—	—	—	23.6
	176.0	—	—	—	—	—	—	—	—	—	—	—	—	176.0
Long-term debt	116.9	—	—	—	—	—	—	—	—	—	—	—	—	116.9
Reclamation and remediation obligations	108.1	—	—	—	—	—	—	—	—	—	—	—	—	108.1
Future income and mining taxes	120.3	—	—	—	—	—	—	—	—	—	—	—	—	120.3
Other long-term liabilities	9.5	—	—	—	—	—	—	—	—	—	3.3	—	—	12.8
Redeemable retractable preferred shares	2.6	—	—	—	—	—	—	—	—	—	—	—	—	2.6
	533.4	—	—	—	—	—	—	—	—	—	3.3	—	—	536.7
Non-controlling interest	0.4	—	—	—	—	—	—	—	—	—	—	—	—	0.4

Convertible preferred shares of subsidiary company	13.3	—	—	—	—	—	—	—	—	—	—	—	—	13.3
Common shareholders' equity														
Common share capital and common share purchase warrants	1,775.8	—	—	766.7	—	—	(1.1)	—	—	—	—	—	—	2,541.4
Contributed surplus	49.4	(32.0)	—	—	—	—	—	—	—	—	—	—	(2.5)	14.9
Accumulated deficit	(536.9)	32.0	(24.4)	(766.7)	—	(4.7)	1.1	—	—	40.8	—	(40.2)	2.5	(1,296.5)
Cumulative translation adjustments	(1.2)	—	—	—	—	—	—	1.2	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	5.6	—	—	(1.2)	—	—	(3.3)	—	—	1.1
	1,287.1	—	(24.4)	—	5.6	(4.7)	—	—	—	40.8	(3.3)	(40.2)	—	1,260.9
	$1,834.2	$ —	$ (24.4)	$ —	$ 5.6	$ (4.7)	$ —	$ —	$ —	$ 40.8	$ —	$ (40.2)	$ —	$ 1,811.3

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF OPERATIONS
For the year ended December 31, 2005

	Under CDN GAAP	Recognition of deferred exchange gains/losses on convertible debentures	Elimination of effects of recognizing the equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassification of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Effect of SFAS 143	Goodwill impairment	Under U.S. GAAP
		(a)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(j)*	*(d)*	
Revenue														
Metal sales	$ 725.5	$ —	$ —	$ —	$ —	$ —	$ 4.7	$ —	$ —	$ —	$ —	$ —	$ —	$ 730.2
Operating costs and expenses														
Cost of sales (excludes accretion, depreciation, depletion and amortization)	448.1	—	—	—	—	—	—	—	—	—	—	—	—	448.1
Accretion and reclamation expenses	56.0	—	—	—	—	—	—	—	—	—	—	—	—	56.0
Depreciation, depletion and amortization	167.7	—	—	(3.3)	—	—	—	—	—	—	—	—	—	164.4
	53.7	—	—	3.3	—	—	4.7	—	—	—	—	—	—	61.7
Other operating expenses	14.3	—	—	—	—	—	—	—	—	—	—	—	—	14.3
Exploration and business development	26.6	—	—	—	—	—	—	—	—	—	—	—	—	26.6
General and administrative	45.3	—	—	—	—	—	—	—	—	—	—	—	—	45.3
Impairment charges:														
Goodwill	8.7	—	—	—	—	—	—	—	—	—	—	—	—	8.7
Property, plant and equipment	171.9	—	—	(21.1)	—	—	—	—	—	—	—	—	—	150.8
Investments	4.1	—	—	—	—	—	—	—	—	—	—	—	—	4.1
Gain on disposal of assets	(6.0)	—	—	—	—	—	—	—	—	—	—	—	—	(6.0)
Operating loss	(211.2)	—	—	24.4	—	—	4.7	—	—	—	—	—	—	(182.1)
		—	—											
Other income (expense) — net	(17.0)	—	—	—	—	—	—	—	—	—	—	—	—	(17.0)
Loss before taxes and other items	(228.2)	—	—	24.4	—	—	4.7	—	—	—	—	—	—	(199.1)
Income and mining taxes expense	12.9			—	—	—	—	—	—	—	—	—	—	12.9
Non-controlling interest	0.1	—	—	—	—	—	—	—	—	—	—	—	—	0.1
Dividends on convertible preferred shares of subsidiary company	(0.8)			—	—	—	—	—	—	—	—	—	—	(0.8)
Net loss attributable to common shareholders	$(216.0)	$ —	$ —	$ 24.4	$ —	$ —	$ 4.7	$ —	$ —	$ —	$ —	$ —	$ —	$ (186.9)
Loss per share														
Basic and diluted	$ (0.63)													$ (0.54)
Weighted average common shares outstanding (millions)														

Basic and diluted	345.2	345.2

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF OPERATIONS
For the year ended December 31, 2004

	Under CDN GAAP	Recognition of deferred exchange gains/losses on convertible debentures	Elimination of effects of recognizing the equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassification of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Effect of SFAS 143	Goodwill impairment	Under U.S. GAAP
		(a)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(j)*	*(d)*	
Revenue														
Metal sales	$666.8	$ —	$ —	$ —	$ —	$ —	$ 17.5	$ —	$ —	$ —	$ —	$ —	$ —	$ 684.3
Operating costs and expenses														
Cost of sales (excludes accretion, depreciation, depletion and amortization)	402.4	—	—	—	—	—	—	—	—	—	—	—	—	402.4
Accretion and reclamation expenses	21.4	—	—	—	—	—	—	—	—	—	—	—	—	21.4
Depreciation, depletion and amortization	170.1	—	—	(3.8)	—	—	—	—	—	—	—	—	—	166.3
	72.9	—	—	3.8	—	—	17.5	—	—	—	—	—	—	94.2
Other operating expenses	25.8	—	—	—	—	—	—	—	—	—	—	—	—	25.8
Exploration and business development	20.4	—	—	—	—	—	—	—	—	—	—	—	—	20.4
General and administrative	36.4	—	—	—	—	—	—	—	—	—	—	—	—	36.4
Impairment charges:														
Goodwill	12.4	—	—	—	—	—	—	—	—	—	—	—	—	12.4
Property, plant and equipment	46.1	—	—	—	—	—	—	—	—	—	—	—	—	46.1
Investments	1.4	—	—	—	—	—	—	—	—	—	—	—	—	1.4
Gain on disposal of assets	(1.7)	—	—	—	—	—	—	—	—	—	—	—	—	(1.7)
Operating loss	(67.9)	—	—	3.8	—	—	17.5	—	—	—	—	—	—	(46.6)
Other income (expense) — net	(6.2)	—	—	—	—	—	(1.4)	—	—	—	—	—	—	(7.6)
Loss before taxes and other items	(74.1)	—	—	3.8	—	—	16.1	—	—	—	—	—	—	(54.2)
Income and mining taxes recovery (expense)	11.5	—	—	—	—	—	—	—	—	—	—	—	—	11.5
Non-controlling interest	0.3	—	—	—	—	—	—	—	—	—	—	—	—	0.3
Dividends on convertible preferred shares of subsidiary company	(0.8)	—	—	—	—	—	—	—	—	—	—	—	—	(0.8)
Net loss attributable to common shareholders	$ (63.1)	$ —	$ —	$ —	3.8 $ —	$ —	16.1 $ —	$ —	$ —	$ —	$ —	$ —	$ —	(43.2)
Loss per share														
Basic and diluted	$ (0.18)												$	(0.12)
Weighted average common shares outstanding (millions)														

Basic and diluted	346.0	346.0

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF OPERATIONS
For the year ended December 31, 2003

	Under CDN GAAP	Recognition of deferred exchange gains and losses on convertible debentures (a)	Elimination of effects of recognition of equity component of convertible debentures (a)	Property, plant and equipment & amortization differences from applying SFAS 121 (b)	Reversal of 1991 and 2003 deficit eliminations (c)	Gains on marketable securities and long-term investments (d)	Effect of SFAS 133 (e)	Flow through shares (f)	Reclassification of cumulative translation adjustments (h)	To adjust to equity basis (i)	Restatement to equity account for investment in Echo Bay (d)	Effect of SFAS 143 (j)	Goodwill impairment (d)	Under U.S. GAAP
Revenue														
Metal sales	$ 571.9	$ —	$ —	$ —	$ —	$ —	$ (2.8)	$ —	$ —	$ (6.0)	$ —	$ —	$ —	$ 563.1
Operating costs and expenses														
Cost of sales (excludes accretion, depreciation, depletion and amortization)	362.0	—	—	—	—	—	—	—	—	(2.9)	—	—	—	359.1
Accretion and reclamation expenses	9.0	—	—	—	—	—	—	—	—	—	—	—	—	9.0
Depreciation, depletion and amortization	172.7	—	—	(6.3)	—	—	—	—	—	(1.2)	—	—	—	165.2
	28.2	—	—	6.3	—	—	(2.8)	—	—	(1.9)	—	—	—	29.8
Other operating expenses	16.5	—	—	—	—	—	—	—	—	—	—	—	—	16.5
Exploration and business development	24.3	—	—	—	—	—	—	—	—	(0.1)	—	—	—	24.2
General and administrative	25.0	—	—	—	—	—	—	—	—	—	—	—	—	25.0
Impairment charges:														
Goodwill	394.4	—	—	—	—	—	—	—	—	—	—	—	40.2	434.6
Property, plant and equipment	15.2	—	—	—	—	—	—	—	—	—	—	—	—	15.2
Investments	1.9	—	—	—	—	—	—	—	—	—	—	—	—	1.9
Gain on disposal of assets	(29.5)	—	—	—	—	—	—	—	—	—	—	—	—	(29.5)
Operating loss	(419.6)	—	—	6.3	—	—	(2.8)	—	—	(1.8)	—	—	(40.2)	(458.1)
Other income (expense) — net	(49.5)	(3.3)	18.8	—	—	—	2.1	—	—	0.3	—	—	—	(31.6)
Loss before taxes and other items	(469.1)	(3.3)	18.8	6.3	—	—	(0.7)	—	—	(1.5)	—	—	(40.2)	(489.7)
Income and mining taxes recovery (expense)	(4.1)	—	—	—	—	—	—	—	—	0.4	—	—	—	(3.7)
Non-controlling interest	(0.2)	—	—	—	—	—	—	—	—	—	—	—	—	(0.2)
Share in income of investee companies	—	—	—	—	—	—	—	—	—	1.1	(1.0)	—	—	0.1
Dividends on convertible preferred shares of subsidiary company	(0.8)	—	—	—	—	—	—	—	—	—	—	—	—	(0.8)
Net loss before cumulative effect of a change on accounting principle	(474.2)	(3.3)	18.8	6.3	—	—	(0.7)	—	—	—	(1.0)	—	(40.2)	(494.3)
Cumulative effect of a change in accounting principle	—	—	—	—	—	—	—	—	—	—	—	(11.6)	—	(11.6)

Net loss	(474.2)	(3.3)	18.8	6.3	—	—	(0.7)	—	—	—	(1.0)	(11.6)	(40.2)	(505.9)
Attributable to common shareholders:														
Net loss	(474.2)	(3.3)	18.8	6.3	—	—	(0.7)	—	—	—	(1.0)	(11.6)	(40.2)	(505.9)
Gain on redemption of equity component of convertible debentures	32.0	—	(32.0)	—	—	—	—	—	—	—	—	—	—	—
Net loss attributable to common shareholders	$(442.2)	$ (3.3)	$ (13.2)	$ 6.3	$ —	$ —	$ (0.7)	$ —	$ —	$ —	$ (1.0)	$ (11.6)	$ (40.2)	$ (505.9)
Loss per share														
Basic and diluted	$ (1.43)												$	(1.64)
Weighted average common shares outstanding (millions)														
Basic and diluted	308.6													308.6

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(*expressed in millions of U.S. dollars*)
For the year ended December 31, 2005

	Under CDN GAAP	Recognition of deferred exchange gains/losses on convertible debentures	Elimination of effects of recognition of equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassi-fication of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Effect of SFAS 143	Goodwill impairment	Under U.S. GAAP
		(a)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(j)*	*(d)*	
Net inflow (outflow) of cash related to the following activities:														
Operating:														
Net loss	$(216.0)	$ —	$ —	$ 24.4	$ —	$ —	$ 4.7	$ —	$ —	$ —	$ —	$ —	$ —	$ (186.9)
Items not affecting cash:														
Depreciation, depletion and amortization	167.7	—	—	(3.3)	—	—	—	—	—	—	—	—	—	164.4
Impairment charges	184.7	—	—	(21.1)	—	—	—	—	—	—	—	—	—	163.6
Gain on disposal of assets	(6.0)	—	—	—	—	—	—	—	—	—	—	—	—	(6.0)
Future income and mining taxes	(15.0)	—	—	—	—	—	—	—	—	—	—	—	—	(15.0)
Deferred revenue realized	—	—	—	—	—	—	(4.7)	—	—	—	—	—	—	(4.7)
Stock-based compensation expense	3.1	—	—	—	—	—	—	—	—	—	—	—	—	3.1
Unrealized foreign exchange losses and other	1.8	—	—	—	—	—	—	—	—	—	—	—	—	1.8
Changes in operating assets and liabilities:														
Accounts receivable and other assets	2.7	—	—	—	—	—	—	—	—	—	—	—	—	2.7
Inventories	(9.9)	—	—	—	—	—	—	—	—	—	—	—	—	(9.9)
Accounts payable and accrued liabilities	20.6	—	—	—	—	—	—	—	—	—	—	—	—	20.6
Cash flow provided from operating activities	133.7	—	—	—	—	—	—	—	—	—	—	—	—	133.7
Investing:														
Additions to property, plant and equipment	(142.4)	—	—	—	—	—	—	—	—	—	—	—	—	(142.4)
Business acquisitions, net of cash acquired	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on sale of marketable securities	0.6	—	—	—	—	—	—	—	—	—	—	—	—	0.6

Proceeds on sale of long-term investments and other assets	19.8	—	—	—	—	—	—	—	—	—	—	—	—	19.8
Additions to long-term investment and other assets	(16.9)	—	—	—	—	—	—	—	—	—	—	—	—	(16.9)
Proceeds from the sale of property, plant and equipment	10.4	—	—	—	—	—	—	—	—	—	—	—	—	10.4
Disposal of short-term investments	7.3	—	—	—	—	—	—	—	—	—	—	—	—	7.3
Decrease in restricted cash	0.1	—	—	—	—	—	—	—	—	—	—	—	—	0.1
Cash flow used in investing activities	(121.1)	—	—	—	—	—	—	—	—	—	—	—	—	(121.1)
Financing:														
Issurance of common shares	1.9	—	—	—	—	—	—	—	—	—	—	—	—	1.9
Debt issue costs	(0.5)	—	—	—	—	—	—	—	—	—	—	—	—	(0.5)
Proceeds from issuance of debt	50.5	—	—	—	—	—	—	—	—	—	—	—	—	50.5
Repayment of debt	(16.2)	—	—	—	—	—	—	—	—	—	—	—	—	(16.2)
Cash flow provided from financing activities	35.7	—	—	—	—	—	—	—	—	—	—	—	—	35.7
Effect of exchange rate changes on cash	1.4	—	—	—	—	—	—	—	—	—	—	—	—	1.4
Increase in cash and cash equivalents	49.7	—	—	—	—	—	—	—	—	—	—	—	—	49.7
Cash and cash equivalents, beginning of year	47.9	—	—	—	—	—	—	—	—	—	—	—	—	47.9
Cash and cash equivalents, end of year	$ 97.6	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 97.6

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(*expressed in millions of U.S. dollars*)
For the year ended December 31, 2004

	Under CDN GAAP	Recognition of deferred exchange gains and losses on convertible debentures	Elimination of effects of recognition of equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassi-fication of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Effect of SFAS 143	Goodwill impairment	Under U.S. GAAP
		(a)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(j)*	*(d)*	
Net inflow (outflow) of cash related to the following activities:														
Operating:														
Net loss	$ (63.1)	$ —	$ —	$ 3.8	$ —	$ —	$ 16.1	$ —	$ —	$ —	$ —	$ —	$ —	$ (43.2)
Items not affecting cash:														
Depreciation, depletion and amortization	170.1	—	—	(3.8)	—	—	—	—	—	—	—	—	—	166.3
Impairment charges	59.9	—	—	—	—	—	—	—	—	—	—	—	—	59.9
Gain on disposal of assets	(1.7)	—	—	—	—	—	—	—	—	—	—	—	—	(1.7)
Future income and mining taxes	(29.3)	—	—	—	—	—	—	—	—	—	—	—	—	(29.3)
Deferred revenue realized	(6.3)	—	—	—	—	—	6.9	—	—	—	—	—	—	0.6
Stock-based compensation	1.8	—	—	—	—	—	—	—	—	—	—	—	—	1.8
Unrealized foreign exchange losses and other	1.3	—	—	—	—	—	(0.3)	—	—	—	—	—	—	1.0
Changes in operating assets and liabilities														
Accounts receivable and other assets	4.2	—	—	—	—	—	—	—	—	—	—	—	—	4.2
Inventories	(19.3)	—	—	—	—	—	—	—	—	—	—	—	—	(19.3)
Accounts payable and accrued liabilities	43.6	—	—	—	—	—	(22.7)	—	—	—	—	—	—	20.9
Cash flow provided from operating activities	161.2	—	—	—	—	—	—	—	—	—	—	—	—	161.2
Investing:														
Additions to property, plant and equipment	(169.5)	—	—	—	—	—	—	—	—	—	—	—	—	(169.5)
Business acquisitions, net of cash acquired	(261.2)	—	—	—	—	—	—	—	—	—	—	—	—	(261.2)
Proceeds on sale of marketable securities	0.7	—	—	—	—	—	—	—	—	—	—	—	—	0.7

Proceeds on sale of long-term investments and other assets	14.6	—	—	—	—	—	—	—	—	—	—	—	—	14.6
Additions to long-term investments and other assets	(26.4)	—	—	—	—	—	—	—	—	—	—	—	—	(26.4)
Proceeds from the sale of property, plant and equipment	1.5	—	—	—	—	—	—	—	—	—	—	—	—	1.5
Additions to short-term investments	(5.7)	—	—	—	—	—	—	—	—	—	—	—	—	(5.7)
Decrease in restricted cash	3.7	—	—	—	—	—	—	—	—	—	—	—	—	3.7
Cash flow used in investing activities	(442.3)	—	—	—	—	—	—	—	—	—	—	—	—	(442.3)
Financing:														
Repurchase of common shares	(11.8)	—	—	—	—	—	—	—	—	—	—	—	—	(11.8)
Issuance of common shares	3.1	—	—	—	—	—	—	—	—	—	—	—	—	3.1
Debt issue costs	(1.4)	—	—	—	—	—	—	—	—	—	—	—	—	(1.4)
Proceeds from issuance of debt	119.5	—	—	—	—	—	—	—	—	—	—	—	—	119.5
Repayment of debt	(26.8)	—	—	—	—	—	—	—	—	—	—	—	—	(26.8)
Cash flow provided from financing activities	82.6	—	—	—	—	—	—	—	—	—	—	—	—	82.6
Effect of exchange rate changes on cash	0.6	—	—	—	—	—	—	—	—	—	—	—	—	0.6
Increase in cash and cash equivalents	(197.9)	—	—	—	—	—	—	—	—	—	—	—	—	(197.9)
Cash and cash equivalents, beginning of period	245.8	—	—	—	—	—	—	—	—	—	—	—	—	245.8
Cash and cash equivalents, end of period	$ 47.9	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 47.9

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(*expressed in millions of U.S. dollars*)
For the year ended December 31, 2003

	Under CDN GAAP	Recognition of deferred exchange gains/losses on convertible debentures	Elimination of effects of recognition of equity component of convertible debentures	Property, plant and equipment & amortization differences from applying SFAS 121	Reversal of 1991 and 2003 deficit eliminations	Gains on marketable securities and long-term investments	Effect of SFAS 133	Flow through shares	Reclassification of cumulative translation adjustments	To adjust to equity basis	Restatement to equity account for investment in Echo Bay	Effect of SFAS 143	Goodwill impairment	Under U.S. GAAP
		(a)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(h)*	*(i)*	*(d)*	*(j)*	*(d)*	
Net inflow (outflow) of cash related to the following activities:														
Operating:														
Net loss	$ (474.2)	$ (3.3)	$ 18.8	$ 6.3	$ —	$ —	$ (0.7)	$ —	$ —	$ —	$ (1.0)	$ (11.6)	$ (40.2)	$ (505.9)
Items not affecting cash:														
Depreciation, depletion and amortization	172.7	—	—	(6.3)	—	—	—	—	—	(1.2)	—	—	—	165.2
Impairment charges	411.5	—	—	—	—	—	—	—	—	—	—	—	40.2	451.7
Gain on disposal of assets	(29.5)	—	—	—	—	—	—	—	—	—	—	—	—	(29.5)
Future income and mining taxes	(12.7)	—	—	—	—	—	—	—	—	—	—	—	—	(12.7)
Deferred revenue realized	(2.3)	—	—	—	—	—	2.2	—	—	—	—	—	—	(0.1)
Cumulative effect of a change in accounting principle	—	—	—	—	—	—	—	—	—	—	—	11.6	—	11.6
Unrealized foreign exchange losses and other	60.4	3.3	(16.5)	—	—	—	(3.2)	—	—	(1.1)	1.0	—	—	43.9
Changes in operating assets and liabilities														
Accounts receivable	(1.7)	—	—	—	—	—	—	—	—	—	—	—	—	(1.7)
Inventories	(11.3)	—	—	—	—	—	—	—	—	—	—	—	—	(11.3)
Accounts payable and accrued liabilities	(29.9)	—	—	—	—	—	1.7	—	—	—	—	—	—	(28.2)
Cash flow provided from operating activities	83.0	—	2.3	—	—	—	—	—	—	(2.3)	—	—	—	83.0
Investing:														
Additions to property, plant and equipment	(73.4)	—	—	—	—	—	—	—	—	—	—	—	—	(73.4)
Business acquisitions, net of cash acquired	(81.9)	—	—	—	—	—	—	—	—	—	—	—	—	(81.9)
Proceeds on sale of marketable securities	4.6	—	—	—	—	—	—	—	—	—	—	—	—	4.6

Proceeds on sale of long-term investments and other assets	63.3	—	—	—	—	—	—	—	—	—	—	—	—	63.3
Additions to long-term investments and other assets	(6.1)	—	—	—	—	—	—	—	—	31.7	—	—	—	25.6
Proceeds from the sale of property, plant and equipment	5.9	—	—	—	—	—	—	—	—	—	—	—	—	5.9
Decrease in restricted cash	37.5	—	—	—	—	—	—	—	—	—	—	—	—	37.5
Cash flow used in investing activities	(50.1)	—	—	—	—	—	—	—	—	31.7	—	—	—	(18.4)
Financing:														
Issuance of common shares	187.9	—	—	—	—	—	—	—	—	—	—	—	—	187.9
Redemption of convertible debentures	(144.8)	—	—	—	—	—	—	—	—	—	—	—	—	(144.8)
Acquisition of convertible preferred shares of subsidiary company	(0.3)	—	—	—	—	—	—	—	—	—	—	—	—	(0.3)
Reduction of debt component of convertible debentures	2.3	—	(2.3)	—	—	—	—	—	—	—	—	—	—	—
Repayment of debt	(10.5)	—	—	—	—	—	—	—	—	—	—	—	—	(10.5)
Cash flow provided from financing activities	34.6	—	(2.3)	—	—	—	—	—	—	—	—	—	—	32.3
Effect of exchange rate changes on cash	7.7	—	—	—	—	—	—	—	—	—	—	—	—	7.7
Increase in cash and cash equivalents	75.2	—	0.0	—	—	—	—	—	—	29.4	—	—	—	104.6
Cash and cash equivalents, beginning of year	170.6	—	—	—	—	—	—	—	—	(29.4)	—	—	—	141.2
Cash and cash equivalents, end of year	$ 245.8	$ —	$ 0.0	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 245.8

21. DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

The Company's statements of comprehensive loss under U.S. GAAP are as follows:

	Twelve months ended December 31,		
	2005	2004	2003
Net loss for the period under U.S. GAAP	$ (186.9)	$ (43.2)	$ (505.9)
Change in currency translation adjustments [h]	—	—	22.2
Change in unrealized gains on marketable securities and long-term investments [d]	0.9	(1.6)	(6.4)
SFAS 133 [e]	—	(0.3)	(3.2)
Change in minimum pension liability [k]	(1.1)	(0.2)	(3.1)
Comprehensive loss under U.S. GAAP	$ (187.1)	$ (45.3)	$ (496.4)

(a) Under CDN GAAP, the convertible debentures, described in Note 11, were accounted for in accordance with their substance and, as such, were presented in the financial statements in their liability and equity component parts. The Company redeemed these convertible debentures on September 29, 2003. Under U.S. GAAP, the entire principal amount of the convertible debentures plus accrued interest of $146.8 million immediately prior to the redemption was treated as debt with interest expense based on the coupon rate of 5.5%.

In addition, under CDN GAAP, realized and unrealized foreign exchange gains and losses on the debt component of the debentures were recognized in income. For U.S. GAAP, in addition to including these gains and losses in income, realized and unrealized exchange gains and losses related to the portion of the convertible debentures included in equity under CDN GAAP were also included in income. There was no gain or loss on the redemption of the convertible debentures for U.S. GAAP.

Under U.S. GAAP, the reduction of the debt component of convertible debentures is treated as interest expense and as a cash flow from operating activities. Under CDN GAAP, the interest expense is classified as a financing activity.

(b) Under U.S. GAAP, as a result of applying SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" and following the adoption of SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", property, plant and equipment would be reduced and the accumulated deficit increased by $60.5 million. This difference arose from the requirement to discount future cash flows from impaired property, plant and equipment under U.S. GAAP and from using proven and probable reserves only. At the time of the impairment, future cash flows from impaired property, plant and equipment were not discounted under CDN GAAP. In subsequent periods, the methodology for calculating asset impairment under CDN GAAP was harmonized with U.S. GAAP, requiring the use of discounted cash flows. However, under CDN GAAP, the changed was not made retroactively and, as a result, the difference remained. Under U.S. GAAP, in periods subsequent to the impairment, the lower property, plant and equipment carrying value would have resulted in lower depreciation, depletion and amortization expense. Under U.S. GAAP, during the years ended December 31, 2005, 2004 and 2003, depreciation, depletion and amortization would have been reduced by $3.3 million, $3.8 million and $6.3 million, respectively, to reflect the above. As a result, the net reduction to property, plant and equipment, as at December 31, 2005, would be $21.1 million with an increase to the accumulated deficit of the same amount (December 31, 2004 — $24.4 million). At December 31, 2005 and 2004, the reduced property, plant and equipment related entirely to the Fort Knox mine.

During the fourth quarter of 2005, for CDN GAAP purposes, the Company recorded an impairment charge to property, plant and equipment totaling $171.9 million, of which $141.8 million related to Fort Knox. Due to the mine's carrying value under U.S. GAAP being $21.1 million lower, the impairment charge recorded in 2005 would have been decreased by $21.1 million.

(c) CDN GAAP allows for the elimination of operating deficits by the reduction of stated capital attributable to common shares with a corresponding offset to the accumulated deficit. For CDN GAAP, the Company eliminated operating deficits of $761.4 million and $5.3 million in 2003 and 1991, respectively. These reclassifications are not permitted by U.S. GAAP and would require in each subsequent year a cumulative increase in share capital and a cumulative increase in deficit of $766.7 million.

(d) Under CDN GAAP, unrealized gains on long-term investments and marketable securities are not recorded. Under U.S. GAAP, unrealized gains on long-term investments that are classified as securities available-for-sale of $6.5 million and $5.5 million at December 31, 2005 and December 31, 2004, respectively, and marketable securities of $0.1 million at December 31, 2004, are included as a component of comprehensive income (loss).

Furthermore, U.S. GAAP requires that the transaction on April 3, 2002, whereby the Company exchanged its investment in debt securities of Echo Bay for 57.1 million common shares of Echo Bay, be recorded at fair value with the resulting gain included in earnings. Fair value of the Echo Bay common shares received, under U.S. GAAP, was $49.1 million, representing 57.1 million common shares at $0.86 each, being the closing market price of such shares on April 3, 2002. Fair value is not discounted for liquidity concerns or other valuation considerations. The resulting gain of $42.5 million, after deducting the $6.6 million carrying value of the debt securities exchanged, increased the carrying value of this investment and was included in earnings for the year ended December 31, 2002. Under CDN GAAP, the cost of the Echo Bay common shares acquired on the exchange was recorded at the values of the securities given up. Since the fair value of the capital securities given up approximated their carrying value, no gain was recorded under CDN GAAP.

Subsequent to the exchange of debt securities, the Company accounted for its share investment in Echo Bay as an available-for-sale security under U.S. GAAP. At January 31, 2003, when the Company acquired the remaining outstanding common shares of Echo Bay, the Company retroactively restated its 2002 consolidated financial statements, prepared in accordance with U.S. GAAP, to account for its share investment in Echo Bay on an equity basis. As a result, the Company reversed an unrealized gain of $21.8 million previously included in other comprehensive income, increased its deficit by $0.7 million to reflect its share of equity losses for the period ended December 31, 2002 and correspondingly reduced the carrying value of its investment. In addition, the Company decreased long-term investments and recorded a share of loss in investee company of $1.0 million for the one month ended January 31, 2003 and increased long-term investments and recorded a share of income in investee company of $0.7 million during the year ended December 31, 2002. For U.S. GAAP purposes, as a result of the business combination on January 31, 2003, the Company recognized an additional $40.8 million of goodwill representing the difference in carrying value of its share investment in Echo Bay between CDN and U.S. GAAP.

For the year ended December 31, 2003, the Company, using its goodwill impairment testing methodology, computed a goodwill impairment charge of $40.2 million reducing the additional goodwill balance, under U.S. GAAP, at December 31, 2003 to $0.6 million. As at December 31, 2005 and December 31, 2004, the additional goodwill, under U.S. GAAP, remained $0.6 million.

(e) Effective January 1, 2004, the Company adopted Accounting Guideline 13 ("AcG-13"), "Hedging Relationships", which provides guidance concerning documentation and effectiveness testing for derivative contracts. Derivative instruments that do not qualify as a hedge under AcG-13, or are not designated as a hedge, are recorded on the balance sheet at fair value with changes in fair value recognized in earnings. Upon the adoption of AcG-13, certain derivative instruments that had been previously accounted for as hedges failed to meet the requirements of AcG-13 for formal hedge accounting. As a result, on January 1, 2004, the fair value of the outstanding derivative financial instruments, which were not designated or did not qualify as effective hedging relationships, were deferred on balance sheet and recognized in earnings when the previously designated hedged item occurred. Prior to the adoption of AcG-13, the Company applied hedge accounting to its derivative financial instruments. These instruments remained off balance sheet until the hedged transaction was recorded. In addition, realized gains or losses on derivatives instruments that were closed out prior to their maturity were deferred and recognized in earnings when the previously designated hedged item occurred.

On January 1, 2001, the Company adopted Financial Accounting Standards Board ("FASB") Statement No. 133, "Accounting for "Derivative Instruments and Hedging Activities" ("SFAS 133"), and the corresponding amendments under FASB Statement No. 138 and FASB Statements No. 149. SFAS 133 requires that all derivative financial instruments be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Realized and unrealized gains and losses on derivative instruments included in other comprehensive income on transition at January 1, 2001 were reclassified into mining revenue for cash flow hedges of forecasted commodity sales and foreign exchange gain (loss) on forecasted foreign currency revenue or expense when the previously hedged forecasted revenue or expense occurred.

In previous years, the Company had designated its spot deferred gold forward contracts and foreign currency forward contracts as cash flow hedges and applied hedge accounting to effective hedging relationships. The result of the application of hedge accounting was that the derivative contracts were recorded on balance sheet with changes in fair value recognized in other comprehensive income to the extent effective and any ineffectiveness recorded in earnings in the period it occurred.

At December 31, 2005, the application of SFAS 133 did not result in any differences between CDN and U.S. GAAP. However, for the year ended December 31, 2005, SFAS 133 would have resulted in an increase to revenue and a resultant decrease in the loss under U.S. GAAP of $4.7 million. At December 31, 2004, the application of SFAS 133 results in a decrease in accounts receivable and other assets and an increase in accumulative deficit of $4.7 million. In addition, as a result of applying SFAS 133, there would be an increase of $17.5 million to revenue and a decrease of $1.4 million to other income for a total decrease in the loss under U.S. GAAP of $16.1 million. For the year ended December 31, 2003, the net loss under U.S. GAAP would have increased by $0.7 million.

(f) Under Canadian income tax legislation, a company is permitted to issue shares, known as flow-through shares, whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company accounted for the issue of flow-through shares issued in 2001 using the deferral method in accordance with CDN GAAP. At the time of issue, the funds received were

recorded as share capital. Qualifying expenditures were made in 2002. For U.S. GAAP, the premium paid in excess of the market value of $1.1 million was credited to other liabilities and included in income as the qualifying expenditures were made. As at December 31, 2005 and December 31, 2004, the application of U.S. GAAP would result in a decrease in common share capital of $1.1 million and a corresponding reduction in accumulated deficit.

(g) The terms "proven and probable reserves", "exploration", "development", and "production" have the same meaning under both U.S. and CDN GAAP. Exploration costs incurred are expensed at the same point in time based on the same criteria under both U.S. and CDN GAAP. In addition, mining related costs are only capitalized after proven and probable reserves have been designated under both U.S. and CDN GAAP.

(h) Under CDN GAAP, the unrealized translation gains and losses on the Company's net investment in self-sustaining operations translated using the current rate method accumulated in a separate component of shareholders' equity, described as cumulative translation adjustments, on the consolidated balance sheets. Under U.S. GAAP, the unrealized translation gains and losses would not accumulate in a separate component of shareholders' equity but rather as an adjustment to other comprehensive income. As indicated in Note 3, as of September 29, 2003, the functional currency of all the Company's operations is the U.S. dollar. Prior to that date, the currency of measurement for certain operations domiciled in Canada was the Canadian dollar. As such, the $1.2 million accumulated translation loss in other comprehensive income will only become realized in earnings upon the substantial disposition, liquidation or closure of the mining property or investment that gave rise to such amounts.

(i) Under CDN GAAP, Kinross proportionately consolidates its interests in the following incorporated joint ventures: MDO (La Coipa), MSG (Crixás), CMM (Refugio) and, prior to the Company's purchase of the remaining 51% at December 31, 2004, RPM (Paracatu). In addition, the Company proportionately consolidates its interests in the following unincorporated joint ventures: Round Mountain, Porcupine Joint Venture, Musselwhite and New Britannia. Prior to March 1, 2003, the investment in Omolon was also proportionately consolidated under CDN GAAP. Effective March 1, 2003, following the Company's increase in share ownership to 98.1%, as described in Note 5, Omolon is fully consolidated under both CDN and U.S. GAAP.

These investments are accounted for using the equity method under U.S. GAAP. The Company relies on an accommodation provided for in Item 17(c)(2)(vii) of SEC Form 20-F, which permits a company using the equity method for U.S. GAAP to omit the differences arising from the use of proportionate consolidation under CDN GAAP. Each of the joint ventures listed, except Omolon prior to March 1, 2003, qualifies for this accommodation on the basis that it is an operating entity, the significant financial and operating policies of which are, by contractual arrangement, jointly controlled by all parties having an equity interest in the entity.

With respect to Omolon prior to March 1, 2003, the Company concluded that it did not meet the criteria outlined for the accommodation. Therefore, the financial information of Omolon has been disclosed using the equity method for U.S. GAAP purposes for periods prior to March 1, 2003. Under the equity method, an investment in common shares is generally shown in the balance sheet of an investor as a single amount as "Investment in investee company". Likewise, an investor's share of earnings or losses from its investment is ordinarily shown in its statement of operations as a single amount as "Share of income of investee company".

(j) Effective January 1, 2004, the Company adopted CICA Section 3110 "Asset Retirement Obligations" ("CICA 3110") for CDN GAAP, which is essentially the same as the United States' SFAS 143, "Accounting for Asset Retirement Obligations" that was applicable to the Company's 2003 fiscal year for U.S. GAAP purposes. However, the $11.6 million increase in deficit as at January 1, 2003, under CDN GAAP, would have been recorded in earnings as a cumulative change in accounting principle for the year ended December 31, 2003, under U.S. GAAP. There would be no differences between the balance sheets as at December 31, 2005 and December 31, 2004, or between the statement of operations for the years ended December 31, 2005 and 2004, prepared under U.S. GAAP for this matter, compared to the balance sheets and statement of operations presented under CDN GAAP. The cumulative effect of a change in accounting policy under U.S. GAAP would result in an increase of $11.6 million, or $0.04 per share, to the net loss for the year ended December 31, 2003.

(k) Under U.S. GAAP, if the accumulated pension plan benefit obligation exceeds the market value of plan assets, a minimum pension liability for the excess is recognized to the extent that the liability recorded in the balance sheet is less than the minimum liability. Any portion of this additional liability that relates to unrecognized prior service cost is recognized as an intangible asset while the remainder is charged to other comprehensive income. CDN GAAP does not require the Company to record a minimum liability and does not have the concept of other comprehensive income. During the year, the Company recorded a minimum pension liability of $4.4 million (2004 — $3.3 million) with a corresponding decrease in other comprehensive income. None of the additional liability relates to unrecognized prior service cost.

(l) Effective January 1, 2004, the Company adopted the amended Canadian accounting standard for stock-based compensation which requires the use of the fair value method to calculate all stock-based compensation associated with granting stock options. For purposes of reconciliation to U.S. GAAP, the Company has adopted SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure, an amendment to SFAS No. 123" ("SFAS 148"), which is similar to the new amended Canadian standard, in 2004. Accordingly, adoption of these new Canadian and U.S. standards does not result in any difference in the calculation of stock-based compensation expense. However, the

transitional provisions under the U.S. standard allow the effects of the fair value method to be accounted for under the modified prospective method, which requires the accounting for stock-based compensation expense subsequent to the date of adoption as if the fair value method was applied to all options granted since January 31, 1995.

Prior to January 1, 2004, under U.S. GAAP, stock-based compensation was accounted for based on a fair value methodology, although the effects could be disclosed in the notes to the financial statements rather than in the statement of operations. The method was comparable to Canadian accounting principles adopted in 2002. However, as a result of the amended Canadian standards requiring the retroactive application without restatement of prior years' results, details of the fair value of options granted prior to 2004, but earned during 2003, are required to be disclosed for United States regulatory purposes.

Had the Company determined compensation cost based on the fair value at the grant date for its stock options, the Company's earnings for the year ended December 31, 2003, under U.S. GAAP, would have changed to the pro forma amounts indicated below:

U.S. GAAP	**2003**
Net loss applicable to common shares *(millions of U.S. dollars)*	
As reported	$ (505.9)
Add stock compensation cost	(1.1)
Pro forma	$ (507.0)
Loss per share, basic and diluted *(dollars)*	
As reported	$ (1.64)
Pro forma	$ (1.64)

In addition, upon adoption of the amended Canadian accounting standard, stock option compensation of $2.5 million was recorded as a cumulative effect of the adoption as an adjustment to opening retained earnings with an offsetting adjustment to contributed surplus. Under U.S. GAAP, this adjustment would be reversed.

Recent Accounting Pronouncements

i. In November 2005, the FASB issued FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments". This FSP addresses the determination as to when an investment is considered impaired, whether that impairment is other than temporary, and the measurement of an impairment loss. This FSP also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The guidance in FSP FAS 115-1 and FAS 124-1 is applicable to reporting period beginning after December 15, 2005. Management does not expect the adoption of this FSP to have a material effect on the Company's consolidated financial position and results of operations.

ii. In November 2004, the FASB issued SFAS No. 151, "Inventory Costs" ("SFAS 151"). SFAS 151 requires that abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage) be recognized as current period charges rather than capitalized as a component of inventory costs. In addition, SFAS 151 requires allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. This statement is effective for inventory costs incurred in fiscal years beginning after June 15, 2005. The guidance should be applied prospectively. The Company is currently assessing the impact of SFAS 151 and does not expect it to have an effect on its results of operations and financial condition.

iii. In December 2004, the FASB issued SFAS No. 123 (Revised 2004), "Share-Based Payments" ("SFAS 123R"), which requires all share-based payments to employees, including grants of employee stock options, to be recognized as compensation expense in the consolidated financial statements based on their fair values. SFAS 123R also modifies certain measurement and expense recognition provisions of SFAS 123, that will impact the Company, including the requirement to estimate employee forfeitures each period when recognizing compensation expense, and requiring that the initial and subsequent measurement of the cost of liability-based awards each period be based on the fair value (instead of the intrinsic value) of the award. This statement is effective for the Company as of January 1, 2006. SAB 107, "Share Based Payment" ("SAB 107") was issued by the SEC in March 2005, and provides supplemental SFAS 123R application guidance based on the views of the SEC. As described above, the Company is expensing stock-based compensation using the fair value method prospectively for all awards granted or modified on or after January 1, 2002 for Canadian GAAP, which is similar to SFAS 123R. This change is not expected to have a material impact on the calculated compensation expense and as a result, the adoption of SFAS No. 123R is not expected to have an impact on the Company's results of operations and financial condition.

iv. FASB approved EITF Issue No. 04-6, "Accounting for Stripping Costs Incurred during Production in the Mining Industry" ("EITF 04-6") in the second quarter of 2005. Under EITF 04-6, stripping costs incurred each period during the production phase are recorded as a component of the cost of inventory produced each period. EITF 04-6 is effective for the first reporting period in fiscal years beginning after December 15, 2006. The Company's policy to include ongoing stripping costs as an operating cost; however, the Company does capitalize costs related to major pit expansions at its producing mines. The Company is currently evaluating the impact of this pronouncement.

v. The FASB issued SFAS No. 153, "Exchanges of Non-Monetary Assets, an Amendment of APB Opinion 29". This Statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This Statement is effective for fiscal periods beginning after June 15, 2005. Management does not expect the adoption of this Statement to have a material effect on the Company's consolidated financial position and results of operations.

vi. In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which relates to the accounting for and reporting of a change in accounting principles and applies to all voluntary changes in accounting principles. The reporting of corrections of an error by restating previously issued financial statements is also addressed by this statement. SFAS 154 applies to pronouncements in the event they do not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. SFAS 154 requires retroactive application to prior periods' financial statements of changes in accounting principle, unless the period specific effects or cumulative effects of an accounting change are impracticable to determine, in which case the new accounting principle is required to be applied to the assets and liabilities as of the earliest period practicable, with a corresponding adjustment made to opening retained earnings. Prior to SFAS 154, most accounting changes were recorded effective at the beginning of the year of change, with the cumulative effect at the beginning of the year of change recorded as a charge or credit to earnings in the period a change was adopted. SFAS 154 will be effective on accounting changes and corrections of errors beginning in 2006. SFAS does not change the transition provisions of any existing accounting pronouncements, including those that are in the transition phase as of the effective date of SFAS 154.

vii. In November 2005, the FASB concluded that in their proposed Accounting for Uncertain Tax Positions — an interpretation of FASB Statement No. 109, a benefit recognition model with a two-step approach would be used, with a more-likely-than-not recognition criterion and a best estimate measure attribute. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more-likely-than-not, based solely on the technical merits, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the appropriate amount of the benefit to recognize, which will be measured using the best estimate of the amount that will be sustained. The tax position should be derecognized when it is no longer more-likely-than-not of being sustained. In January 2006, the FASB concluded that the final interpretation will be effective as of the beginning of the first annual period beginning after December 31, 2006. The Company is currently evaluating the implications of this interpretation.

viii. In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments — an amendment of FASB Statements No. 133 and 140. This Statement resolves issues addressed in Statement 133 Implementation Issue No. D1, "Application of Statement 133 to Beneficial Interest in Securitized Financial Assets." This Statement:

(a) Permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation;

(b) Clarifies which interest-only strips and principal-only strips are not subject to the requirements of Statement 133;

(c) Establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation;

(d) Clarifies that concentration of credit risk in the form of subordination are not embedded derivatives; and

(e) Amends Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument.

This statement is effective for all financial instruments acquired or issued after the beginning of fiscal years that begin after September 15, 2006. The Company is currently evaluating the implications of this Statement.

22. RELATED PARTY TRANSACTION

During 2004, the Company entered into a shareholders' agreement providing for the incorporation of Kinross Forrest Ltd. ("KF Ltd.") and the issuance of 35% of the shares of KF Ltd. to the Company, 25% to a company controlled by Art Ditto, a former director and officer of the Company,

and 40% to an unrelated third party. Mr. Ditto paid the Company his share of the total expenses incurred in the amount of approximately $0.3 million related to KF Ltd. The cost of the Company's 35% investment in KF Ltd. was less than $0.1 million.

KF Ltd. is incorporated under the laws of the Territory of the British Virgin Islands and is a party to a joint venture with La Générale des Carrières et des Mines ("Gecamines"), a Congolese state-owned mining enterprise. The 75% KF Ltd. — 25% Gecamines joint venture was formed for the purpose of exploiting the Kamoto Copper Project (the "Project") located in the Democratic Republic of Congo (the "DRC").

On July 29, 2005 the Company and the other shareholders of KF Ltd. entered into an agreement (the "Option Agreement") with Balloch Resources Ltd. ("Balloch") giving Balloch the option to purchase all of the shares of KF Ltd. by funding a feasibility study ("Feasibility Study"), obtaining equity commitments to fund development of the first stage of the Project and issuing a number of common shares pro rata to each KF Ltd. shareholder in proportion to their holdings in KF Ltd. The number of Balloch shares to be issued to the KF Ltd. shareholders was to have been based on a formula dependent on the Net Present Value of the Project as determined by the Feasibility Study.

Balloch is a public company whose shareholders include Mr. Art Ditto and Mr. Robert Buchan, both former officers and directors of the Company.

On September 2, 2005, in keeping with the Company's strategy to divest of its non-core interests and focus on precious metals properties, the Company agreed to sell 23.33% of the shares of KF Ltd. to Balloch and retain the balance of its KF Ltd. holdings. Following the satisfaction of various conditions, including regulatory approvals and the completion of a private placement by Balloch, consideration of $4.7 million was received. Based on an original cost of less than $0.1 million, the Company recorded a gain on sale of $4.7 million.

In October 2005, Balloch disclosed Mr. Ditto's holdings as 1,000,000 shares of Balloch (17.1% of issued and outstanding shares) and Mr. Buchan's holdings as 500,000 shares of Balloch (8.6% of issued and outstanding shares). Additionally, Balloch disclosed that Buchan had purchased one half of the shares in KF Ltd. previously owned by a company controlled by Ditto.

On November 30, 2005, Balloch changed its name to Katanga Mining Ltd. ("Katanga").

On March 15, 2005, the shareholders of KF Ltd. agreed to amend the Option Agreement waiving the requirement for Katanga to obtain equity funding for the first stage of development of the Project and fixing the number of shares of Katanga to be received by each shareholder of KF Ltd. on exercise of the option. The Company is to receive 5,751,500 such shares of Katanga on exercise of the option.

23. COMMITMENTS AND CONTINGENCIES

General

Estimated losses from loss contingencies are accrued by a charge to income when information available prior to the issuance of the financial statements indicates that it is likely that a future event will confirm that an asset has been impaired or a liability incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Export prepayment contracts

A Brazilian Central Bank program enables exporters to borrow U.S. dollars and commit to conduct export activities. These contracts are referred to as export prepayment contracts. In 2001, an arbitrage opportunity existed whereby the borrowed funds could be reinvested locally in Brazil in U.S. denominated investments at interest rates in excess of those on the loans.

The Company's Paracatu mine participates in this program and entered into contracts during 2001, which were immediately assigned to a Brazilian bank. The Paracatu mine received a premium of $2.7 million at the inception of the loan, instead of the higher interest rate earned by the bank. The lenders of the funds agreed to the assignment of the borrowed amounts to the local bank. There is no obligation by the Company to repay any of the borrowed amounts; however, the Company is committed to exporting gold.

This program was completed during 2005 and $0.4 million of unearned premium related to the initial premium received, was realized in earnings in 2005.

Other legal matters

The Company is involved in legal proceedings from time to time, arising in the ordinary course of its business. Typically, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

The Company has settled various litigations. Included in the statement of operations were nil in 2005, $10.0 million in 2004 and $0.3 million in 2003 related to legal claims. The settlement of the Hellenic litigation in 2005 was accrued in the prior year. Total accrued liabilities in relation to legal contingencies were $3.0 million, $11.2 million and $15.1 million as at December 31, 2005, 2004 and 2003, respectively.

Class action

The Company was named as a defendant in a Class Action Complaint filed on or about April 26, 2002 (the "Complaint"), entitled Robert A. Brown, et al. v. Kinross Gold U.S.A., Inc., et al., Case No. CV-S-02-0605-PMP-RJJ, in the United States District Court for the District of Nevada. The Complaint named as defendants the Company, its subsidiaries, Kinross Gold U.S.A., Inc. and Kinam Gold, Inc. ("Kinam"), and Robert M. Buchan, former President and C.E.O. of the Company. The Complaint was filed on behalf of one potential class and three subclasses, i.e., those who tendered their Kinam $3.75 Series B Preferred Stock (the "Kinam Preferred") into the tender offer for the Kinam Preferred made by the Kinross Gold U.S.A., those who did not tender their Kinam Preferred but later sold it directly to the Company or any of its controlled entities after closure of the tender offer and delisting of the Kinam Preferred, and those who continue to hold Kinam Preferred. The Complaint alleged, among other things, that amounts historically advanced to Kinam should be treated as capital contributions rather than loans, that the purchase of Kinam Preferred from certain institutional investors in July 2001 constituted a constructive redemption of the Kinam Preferred, an impermissible amendment to the conversion rights of the Kinam Preferred, or the commencement of a tender offer, that the Company and its subsidiaries have intentionally taken actions for the purpose of minimizing the value of the Kinam Preferred, and that the amount offered in the tender offer of $16.00 per share was not a fair valuation of the Kinam Preferred. The Complaint alleged breach of contract based on the governing provisions of the Kinam Preferred; breach of fiduciary duties; violations of the "best price" rule under Section 13(e) of the Securities Exchange Act of 1934, as amended, and the New York Stock Exchange rules; federal securities fraud in violation of Section 10(b) and 14(c) of the Securities Exchange Act of 1934, as amended, and Rules 10b-5 and 14c-6(a) thereunder; violation of Nevada's anti-racketeering law; and control person liability under Section 20A of the Securities Exchange Act of 1934, as amended. A second action seeking certification as a class action and based on the same allegations was also filed in the United States District Court for the District of Nevada on or about May 22, 2002. It named the same parties as defendants. This action has been consolidated into the Brown case, and the Brown plaintiffs have been designated as lead plaintiffs. Among other remedies, the plaintiffs seek damages ranging from $9.80 per share, plus accrued dividends, to $39.25 per share of Kinam Preferred or, in the alternative, the issuance of 26.875 to 80.625 shares of the Company for each Kinam Preferred. The Company brought a motion for judgment on the pleadings with respect to the federal securities fraud claims. On September 29, 2003, the Court ruled that plaintiffs had failed to adequately state any federal securities fraud claim, but allowed the Plaintiffs an opportunity to file an amended complaint. In response, the plaintiffs filed an Amended Class Action Complaint (the "Amended Complaint"), and the Company again moved for judgment on the pleadings on the federal securities fraud claims. On November 2, 2004, the Court granted the second motion, dismissing with prejudice Counts V, VI and VII of the Amended Complaint. Subsequently, the Company moved for judgment on the pleadings on Count III (the Best Price Rule) and Count IV (the Nevada RICO Claims) of the Amended Complaint. The Plaintiffs opposed the motion and filed a cross motion for summary judgment on Count III (the Best Price Rule). On May 27, 2005, the Court denied Plaintiff's motion for summary judgment and granted the Company's motion and dismissed Counts III and IV of the Amended Complaint. On June 14, 2005, the Court granted plaintiffs' unopposed motion for certification of the class and three subclasses. The Company anticipates continuing to vigorously defend this litigation. The Company cannot reasonably predict the outcome of this action, and the amount of loss cannot be reasonably estimated, therefore no loss contingency has been recorded in the financial statements. This class action relates to the Corporate and other segment (see Note 18).

The Hellenic Gold Properties litigation

Pursuant to an October 14, 1998 judgment of the Ontario Court (General Division), Kinross had been holding a 12% carried interest in the Hellenic Gold Properties as constructive trustee for the Alpha Group. The Alpha Group commenced an action for damages against TVX and Kinross alleging among other things, a breach of trust arising from Kinross' decision to return the Hellenic Gold Properties to the Greek Government and place TVX Hellas into bankruptcy. In November 2005, Kinross entered into a settlement agreement with the Alpha Group pursuant to which Kinross paid the Alpha Group $8.0 million inclusive of legal costs and the parties exchanged mutual releases which brings all litigation between Kinross and the Alpha Group to an end.

1235866 Ontario Inc. ("1235866"), the successor to Curragh Resources Inc. commenced an action against the Alpha Group and TVX in 1998 relating to the Hellenic Gold Properties. The action alleged that members of Alpha Group had used confidential Curragh information in their pursuit of the Hellenic Gold Properties and that Alpha and TVX held their respective interest in these properties in trust for 1235866.

On July 28, 1999, TVX entered into an agreement with 1235866 whereby 1235866 agreed to limit any claim against TVX and diligently pursue its claim against the Alpha Group. In the event that 1235866 was successful in its actions against the Alpha Group, it would become entitled to a 12% carried interest as defined in the agreement and the right to acquire a 12% participating interest upon payment of 12% of the aggregate amounts expended by TVX and its subsidiaries in connection with the acquisition, exploration, development and operation of the Hellenic mines to the date of the exercise of the right to acquire the participating interest.

As a result of Kinross' decision to return the Hellenic Mining Properties to the Greek Government, place TVX Hellas into bankruptcy and settle with the Alpha Group; 1235866 has threatened an action against Kinross for breach of trust and breach of the agreement. To date no pleadings have been exchanged with respect to the threatened action. Kinross believes that it has a good defense to this threatened action.

On November 4, 2005, the Company settled the litigation associated with the Alpha group regarding the Hellenic mines for $8.0 million. The cost of this settlement was included in the accrual for litigation in 2004.

Summa

In September 1992, Summa Corporation ("Summa") commenced a lawsuit against Echo Bay Exploration Inc. and Echo Bay Management Corporation (together, the "Subsidiaries"), 100% owned subsidiaries of Echo Bay, alleging improper deductions in the calculation of royalties payable over several years of production at McCoy/Cove and Manhattan mines ("Royalty Lawsuit.") The Manhattan mine is no longer in production and the McCoy/Cove mine was sold in January 2003. The assets and liabilities of the Subsidiaries are included under the heading Corporate and other in the segmented information (see Note 18). The first trial was conducted in the Eighth Judicial District Court ("District Court") of Nevada April 1997, with Summa claiming more than $13.0 million in unpaid royalties and accrued interest. In September 1997, judgment was entered on behalf of the Subsidiaries and the Subsidiaries were awarded approximately $0.3 million in attorney's fees and litigation costs. Summa appealed this judgment to the Nevada Supreme Court and in April 2002, the Supreme Court, sitting en banc, reversed the Judgment of the trial court and returned the action to the District Court for further proceedings consistent with its appellate opinion.

In September 2004, the District Court ordered that a new trial be conducted in February 2005. In the new trial, Summa updated its claim for unpaid royalties and accrued interest to the approximate amount of $25.0 million. In May 2005, judgment was again entered in favour of the Subsidiaries, with Summa receiving nothing by way of its complaint. The Subsidiaries' Motions for Litigation Costs and Attorney's Fees for both trial proceedings were granted, resulting in a judgment against Summa in the approximate amount of $0.7 million. Summa has filed its notice of appeal in July 2005 and its brief of appellant in the Nevada Supreme Court in January 2006. The Subsidiaries' responsive brief is due by March 31, 2006. No hearing date has been set for this appeal.

In March, 2004, Summa's successor in interest, Howard Hughes Properties ("Hughes"), filed an action in District Court against Echo Bay and its Subsidiaries (collectively, ("Echo Bay Entities"), as well as Newmont Mining Corporation ("Newmont") more than thirty current and former directors of the Echo Bay Entities, Kinross and Newmont ("Director and Officer Defendants") and fifty Doe defendants (collectively, "Defendants".) The lawsuit alleges claims based upon a general allegation of a scheme or artifice to defraud, in which Defendants, at various indeterminate times and places, diverted and distributed the assets of Echo Bay Entities (to render the Echo Bay Entities insolvent) to each other, so Hughes would be unable to collect any judgment it might obtain against the Echo Bay Defendants (Echo Bay Management and Echo Bay Exploration) in the Royalty Lawsuit. Immediately after being served, the Echo Bay Entities filed a Demand for Change of Venue as of Right and simultaneously moved for a Change of Venue. In May 2004, the District Court denied the motion without explanation, although, as of that date, none of the defendants that had appeared resided in Clark County. The Echo Bay Entities immediately filed their Notice of Appeal from this venue ruling. The Echo Bay Entities also filed a Demand for Stay of the District Court proceedings pending resolution of that appeal. The District Court granted that motion in part and denied it in part, staying all claims in Hughes' Complaint except for the claim asserting violation of the Nevada Uniform Fraudulent Transfers Act ("NUFTA").

In September 2004, Hughes filed a First Amended Complaint. All Defendants filed a series of motions pursuant to Nevada Rule of Civil Procedure 12 to the remaining NUFTA claim, including a Motion to Dismiss for Lack of Personal Jurisdiction, a Motion for Judgment on the Pleadings and a Motion to Dismiss as a sanction for failure to comply with the District Court's Order to Amend. In January 2005, the District Court entered an Order granting all motions except for the Motion of Judgment on the Pleadings.

On June 10, 2005, the Echo Bay Entities and Kinross filed a Motion for Judgment on the Pleadings and to Dismiss, based on res judicata, as a final judgment was entered against Summa in the Royalty Lawsuit. In response, Hughes filed a Motion to Stay All Proceedings and later filed an Opposition, arguing that the judgment entered in the Royalty Lawsuit is not a final judgment, and that until the judgment becomes final (by affirmation from the Nevada Supreme Court or otherwise), the NUFTA lawsuit should be stayed. The Echo Bay Entities and Kinross opposed the motion to stay.

All of the pending motions were heard on July 5, 2005 by the District Court. The District Court denied the Echo Bay Entities' and Kinross' Motion for Judgment on the Pleadings and to Dismiss. However, the District Court did agree with the Echo Bay Entities that all of Hughes' common law claims were not ripe for adjudication and dismissed those claims. The District Court declined to dismiss the NUFTA claim and instead entered an Order staying that the claim pending the outcome of the Royalty Lawsuit appeal.

After this extensive motion practice, all claims from Hughes' Complaint have been dismissed, except for the NUFTA claim, which is stayed pending the outcome of the appeal on the Royalty Lawsuit. The only defendants remaining are the Echo Bay Entities, Kinross, Newmont and five of the individual defendants (who did not join in the motion to dismiss for lack of personal jurisdiction.) Howard Hughes' motion to stay the venue appeal

remains pending and Hughes filed its Respondent's Answering Brief in March, 2006. The Company cannot reasonably predict the outcome of these actions and intends to continue to vigorously defend against the claims.

Income taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays annual income taxes under the various regimes in countries in which it operates. These tax regimes are determined under general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. From time to time the Company will undergo a review of its historic tax returns and in connection with such reviews, disputes can arise with the taxing authorities over the Company's interpretation of the country's income tax rules. As at December 31, 2005 the Company had the following disputes and has not accrued any additional tax liabilities in relation to the disputes listed below:

Brazil

MSG, the Company's 50% joint venture with AngloGold Ashanti, which owns the Crixás mine, received a tax reassessment in November 2003 from the Brazilian IRS. The reassessment disallowed the claiming of certain sales tax credits and assessed interest and penalties of which the Company's 50% share totals $10.2 million. The Company and its joint venture partner believe that this reassessment will be resolved without any material adverse effect on its financial position, results of operations or cash flows. This reassessment relates to the Crixás business segment (see Note 18).

In September 2005, Mineracao Serra Grande, S.A. ("MSG") received assessments relating to payments of sales taxes on exported gold deliveries from tax inspectors for the State of Goias. The Company's share of the assessments is approximately $29.0 million. The counsel for MSG believes the suit is in violation of Federal legislation on sales taxes and that there is a remote chance of success for the State of Goias. The assessment has been appealed. This reassessment relates to the Crixás operating segment.

Guarantee of third party contracts

The Company has guaranteed the debt of one of its joint ventures. Under the agreement, the Company will stand ready to perform should the joint venture be unable to fulfill the payment under the credit facility. The joint venture will use it cash flows to satisfy the debt prior to making distributions to the Company's joint venture partner. The Company expects that the outstanding debt will be completely repaid during 2006. The maximum the Company would be require to pay under the agreement would be an additional $6.0 million attributable to its joint venture.

Other commitments and contingencies

Financial assurance

As part of its ongoing business and operations, the Company and its affiliates are required to provide financial assurance in the form of letters of credit for environmental and site restoration costs, exploration permitting, workers compensation and other general corporate purposes. As at December 31, 2005, there were $117.6 million (December 31, 2004 — $94.9 million) of letters of credit issued pursuant to the syndicated credit facility further described in Note 9. The obligations associated with these instruments are generally related to performance requirements that the Company addresses through its operations including post closure site restoration. Upon completion of the underlying performance requirement, the beneficiary of the associated letter of credit cancels and returns the letter of credit to the issuing entity. Some of the instruments associated with long-lived assets will remain outstanding until closure. Generally, financial assurance requirements associated with environmental regulations are becoming more restrictive. The Company believes it is in compliance with all applicable financial assurance requirements and will be able to satisfy all future financial assurance requirements.

Acquisition of Crown Resources Corporation

On November 20, 2003, the Company announced that it had executed a definitive acquisition agreement with Crown Resources Corporation ("Crown") whereby it will acquire Crown and its wholly owned Buckhorn gold deposit located in north central Washington State.

See discussion below.

24. SUBSEQUENT EVENTS

(a) Agreement to acquire Crown Resources Corporation

On November 20, 2003, Kinross announced that it had executed a definitive acquisition agreement (the "Agreement") with Crown Resources Corporation ("Crown") whereby Kinross will acquire Crown and its wholly owned Buckhorn gold deposit ("Buckhorn") located in north central Washington State, approximately 70 kilometers by road from the Company's Kettle River mill. The original agreement was based on an exchange ratio of 0.2911 of a common share of Kinross for each outstanding common share of Crown and is subject to the effectiveness of a registration statement covering the issuance of common shares filed with the SEC and approval by Crown shareholders. As a result of the review undertaken of the accounting for goodwill in the TVX and Echo Bay transaction, the completion of the registration statement has been delayed.

On January 7, 2004, the Company and Crown announced that the termination date for the Agreement had been extended from December 31, 2004 to May 31, 2005. Kinross acquired 511,640 newly issued shares of Crown in a private placement for $1.0 million.

Prior to the revised deadline of May 31, 2005, an amendment was signed that extended the termination date of the Agreement to March 31, 2006, subject to Kinross filing its 2004 financial statements no later than December 31, 2005. Shareholders of Crown were to receive 0.34 shares of Kinross for each share of Crown. A valuation collar was also agreed upon in which the aggregate maximum value of Kinross common shares to be issued to Crown shareholders would be $110.0 million and the minimum value would be $77.5 million, excluding, in both cases, shares of Crown held by Kinross. The Company purchased a $10.0 million convertible debenture from Crown. The debenture is convertible into 5.8 million common shares of Crown. In the event the Agreement is terminated, Crown shall have the right to convert all amounts due under this debenture by providing 30 days' prior notice to Kinross.

The Company has signed an amendment to extend the termination date from March 31, 2006 to December 31, 2006 and adjust the price that the Company will pay to acquire Crown and the Buckhorn gold deposit. Shareholders of Crown will now receive 0.32 shares of Kinross for each share of Crown, a decrease of 0.02 over the previous ratio of 0.34 and the valuation collar mentioned above has been removed. Assuming all of the outstanding Crown warrants and options are converted, a total of approximately 14.7 million common shares of Kinross will be issued upon the completion of the transaction.

The Company has also agreed to loan Crown $2.0 million if the transaction is not closed by July 1, 2006. The $2.0 million would be used to buy out the only existing smelter return royalty from a third party covering the ore body at Buckhorn. The loan would have a three-year term and bear interest at the published (Wall Street Journal) prime rate at the time of borrowing, plus 3 per cent.

(b) Conversion of redeemable retractable preferred shares to common shares

At December 31, 2005, the Company had 311,933 redeemable retractable preferred shares outstanding. These shares were held by a former senior officer and director of the Company and were convertible into common shares on the basis of 2.7518 common shares for each redeemable retractable preferred share so converted, subject to anti-dilution adjustments. Subsequent to year end, all 311,933 redeemable preferred shares outstanding were converted into 858,388 common shares, based on the stated exchange ratio.

(c) Sale of Lupin

In February 2006, a letter of intent was signed to sell the Lupin mine to Wolfden Resources Inc ("Wolfden"). Wolfden will acquire a 100% interest in the mine. The Company will still be responsible for the completion of current reclamation work on the tailings facility.

(d) Shareholder rights plan

On March 27, 2006, the Company's Board of Directors adopted a shareholders' rights plan (the "Plan") to ensure all shareholders are treated fairly in any transaction involving a change of control of the Company. The Plan is effective immediately and is subject to regulatory and shareholder approval.

The Plan will address the Company's concern that existing legislation does not permit sufficient time for the Board of Directors and shareholders of the Company to properly evaluate a take-over bid or pursue alternatives with a view to maximizing shareholder value.

The Plan is not intended to prevent take-over bids. "Permitted Bid" provisions of the Plan do not invoke the dilutive effects of the Plan if a bid meets certain requirements intended to protect the interests of all shareholders. A bid will be a Permitted Bid if it is made by way of take-over bid circular, remains open for a minimum of 60 days and otherwise complies with the Permitted Bid provisions of the Plan. The Plan will be invoked by an acquisition, other than pursuant to a Permitted Bid, of 20% or more of the outstanding common shares of the Company or the commencement of a take-over bid that is not a Permitted Bid.

Under the Plan one right is issued for each of the common shares of the Company. The rights will trade together with the common shares and will not be separable from the common shares or exercisable unless a take-over bid is made that does not comply with the Permitted Bid requirements.

In such event, such rights will entitle shareholders, other than shareholders making the take-over bid, to purchase additional common shares of the Company at a substantial discount to the market price at the time.

The adoption of the Plan is subject to acceptance by the Toronto Stock Exchange. The Plan must be ratified by shareholders of the Company at a meeting to be held to consider the Plan.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005
KINROSS GOLD CORPORATION CONSOLIDATED BALANCE SHEETS (expressed in millions of U.S. dollars, except share amounts)
KINROSS GOLD CORPORATION CONSOLIDATED STATEMENTS OF OPERATIONS (expressed in millions of U.S. dollars, except per share amounts)
KINROSS GOLD CORPORATION CONSOLIDATED STATEMENTS OF CASH FLOWS (expressed in millions of U.S. dollars)
KINROSS GOLD CORPORATION CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY (expressed in millions of U.S. dollars)
KINROSS GOLD CORPORATION NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31, 2005, 2004 and 2003 (in millions of U.S. dollars)

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Exhibit 99.3

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Kinross Gold Corporation

We consent to the use of our report dated March 29, 2006, included in this annual report on Form 40-F.

We also consent to the incorporation by reference of such reports in the Registration Statement (No. 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) on Form S-8 of Kinross Gold Corporation.

(Signed) KPMG LLP

Toronto, Canada
March 31, 2006

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Consent of Independent Registered Public Accounting Firm

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Exhibit 99.4

Deloitte.

**CONSENT OF DELOITTE & TOUCHE LLP,
INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS FOR KINROSS GOLD
CORPORATION**

INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS' CONSENT

We consent to the inclusion in the Form 40-F of Kinross Gold Corporation of our report dated November 18, 2005, except as to Notes 2 and 25(f) which are as of February 8, 2006 (which includes comments by auditor on Canada-United States of America reporting difference), with respect to the consolidated balance sheets as at December 31, 2004 and 2003 and the consolidated statements of operations, cash flows and common shareholders' equity for each of the years in the three-year period ended December 31, 2004.

We also consent to the incorporation by reference of our above-mentioned report into the Registration Statements on Form S-8 (Registration Statements No. 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

(Signed)
Deloitte & Touche LLP

Independent Registered Chartered Accountants
Toronto, Ontario, Canada

March 31, 2006.

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CONSENT OF DELOITTE & TOUCHE LLP, INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS FOR KINROSS GOLD CORPORATION

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Exhibit 99.5

CONSENT OF ROD COOPER
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2006

I hereby consent to being named and identified as a "qualified person" in connection with the December 31, 2005 resource and reserve estimates in the Annual Information Form for the year ended December 31, 2005 (the "AIF") and the annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the annual report on Form 40-F, and the Registration Statements on Form S-8 (Registration Statement Nos. 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

For the purposes of section 10.4(2) of National Instrument 44-101, I confirm that I have read the AIF and I have no reason to believe that there are any misrepresentations in the information contained therein that are derived from information I have prepared.

Sincerely,
/s/ Rod Cooper
Rod Cooper, P. Eng

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CONSENT OF ROD COOPER TO BEING NAMED AS A QUALIFIED PERSON

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Exhibit 99.6

CONSENT OF WESLEY C. HANSON
TO BEING NAMED AS A QUALIFIED PERSON

March 29, 2006

I hereby consent to being named and identified as a "qualified person" in connection with the Round Mountain and Paracatu Technical Reports in the Annual Information Form for the year ended December 31, 2005 (the "AIF") and the annual report on Form 40-F of Kinross Gold Corporation.

I also hereby consent to the incorporation by reference of the information contained in the annual report on Form 40-F, and the Registration Statements on Form S-8 (Registration Statement Nos. 333-110208, 333-05776, 033-93926, 033-82450, 333-08936, 333-09004, 333-12662, 333-13744 and 333-13742) of Kinross Gold Corporation.

For the purposes of section 10.4(2) of National Instrument 44-101, I confirm that I have read the AIF and I have no reason to believe that there are any misrepresentations in the information contained therein that are derived from information I have prepared.

Sincerely,
/s/ Wesley C. Hanson
Wesley C. Hanson

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CONSENT OF WESLEY C. HANSON TO BEING NAMED AS A QUALIFIED PERSON

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Exhibit 99.7

**CERTIFICATION PURSUANT TO RULE 13A-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tye W. Burt certify that:

1. I have reviewed this annual report on Form 40-F of Kinross Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred curing the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

March 31, 2006
(Date)

/s/ Tye W. Burt

Tye W. Burt (principal executive officer)

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CERTIFICATION PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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Exhibit 99.8

**CERTIFICATION PURSUANT TO RULE 13A-14
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lars-Eric Johansson, certify that:

1. I have reviewed this annual report on Form 40-F of Kinross Gold Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as to the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred curing the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

March 31, 2006
(Date)

/s/ Lars-Eric Johansson

Lars-Eric Johansson
Chief Financial Officer (principal financial and accounting officer)

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CERTIFICATION PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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Exhibit 99.9

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Kinross Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2005, Tye W. Burt hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2006
(Date)

/s/ Tye W. Burt

Tye W. Burt (principal executive officer)

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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Exhibit 99.10

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Kinross Gold Corporation (the "Company") on Form 40-F for the year ended December 31, 2005, Lars-Eric Johansson hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The annual report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the annual report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2006
(Date)

/s/ Lars-Eric Johansson

Lars-Eric Johansson
Chief Financial Officer (principal financial and accounting officer)

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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002