19 March
2014

Kinross Gold: Views on Transparency and Economic and Social Benefits of Mining

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

All statements, other than statements of historical fact, contained or incorporated by reference in or made in giving this presentation, including any information as to the future performance of Kinross, constitute "forward looking statements" within the meaning of applicable securities laws, including the provisions of the Securities Act (Ontario) and the provisions for "safe harbour" under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this presentation. Forward looking statements include, without limitation, possible events; opportunities; statements with respect to possible events or opportunities; estimates and the realization of such estimates; future development, mining activities, production and growth, including but not limited to cost and timing; success of exploration or development of operations; the future price of gold and silver; currency fluctuations; expected capital expenditures and requirements for additional capital; government regulation of mining operations and exploration; environmental risks; unanticipated reclamation expenses; and title disputes. The words "aim", "pursue", "plans", "expects", "subject to", "budget", "estimate", "scheduled", "timeline", "projected", "pro forma", "estimates", "envision", "view", "forecasts", "guidance", "seek", "strategy", "target", "possible", "illustrative", "model", "opportunity", "objective", "outlook", "potential", "intends", "anticipates" or "believes", "thinks", or variations of such words and phrases or statements that certain actions, events or results "may", "can", "could", "would", "should", "might", "indicates", "will be taken", "become", "create", "occur", or "be achieved", and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Statements representing management's financial and other outlook have been prepared solely for purposes of expressing their current views regarding the Company's financial and other outlook and may not be appropriate for any other purpose. Many of these uncertainties and contingencies can affect, and could cause, Kinross' actual results to differ materially from those expressed or implied in any forward looking statements made by, or on behalf of, Kinross. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward looking statements made in this presentation are qualified by these cautionary statements, and those made in our filings with the securities regulators of Canada and the U.S., including but not limited to those cautionary statements made in the "Risk Factors" section of our most recently filed Annual Information Form, the "Risk Analysis" section of our FYE 2012, Management's Discussion and Analysis, and the "Cautionary Statement on Forward-Looking Information" in our news release dated February 13, 2013, to which readers are referred and which are incorporated by reference in this presentation, all of which qualify any and all forward-looking statements made in this presentation. These factors are not intended to represent a complete list of the factors that could affect Kinross. Kinross disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

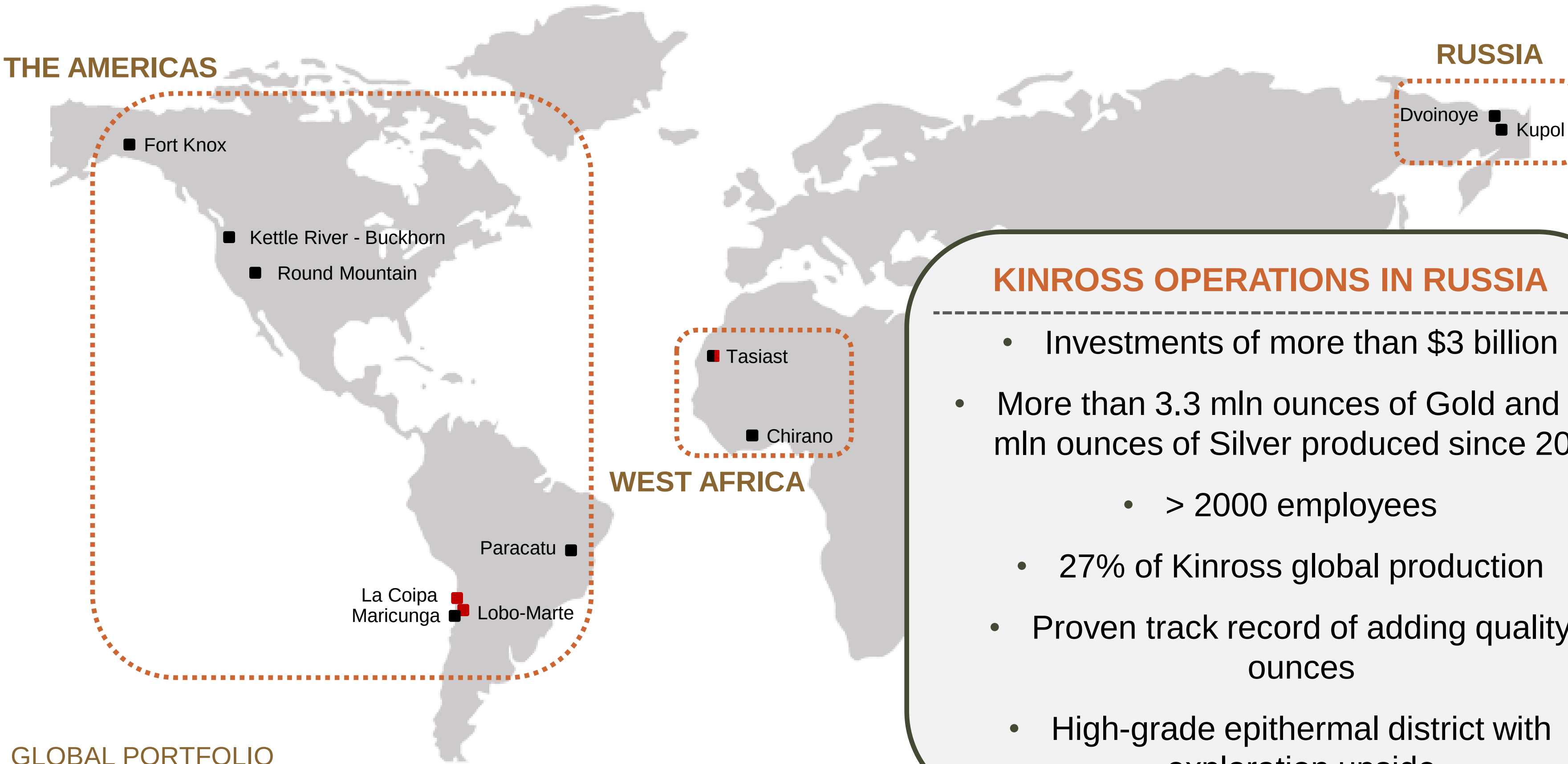
Other information

Where we say "we", "us", "our", the "Company", or "Kinross" in this presentation, we mean Kinross Gold Corporation and/or one or more or all of its subsidiaries, as may be applicable. The technical information about the Company's mineral properties (other than exploration activities) contained in this presentation has been prepared under the supervision of and verified by Mr. Jim Fowler, an officer of the Company who is a "qualified person" within the meaning of National Instrument 43-101 ("NI 43-101"). The technical information about the Company's exploration activities contained in this presentation has been prepared under the supervision of and verified by Dr. Glenton Masterman, an officer of the Company who is a "qualified person" with the meaning of NI 43-101.

OPERATIONAL EXCELLENCE

DELIVERING STRONG OPERATING RESULTS

- Record production in 2013: 2.63 million gold equivalent ounces(1)



KINROSS OPERATIONS IN RUSSIA

- Investments of more than $3 billion
- More than 3.3 mln ounces of Gold and 33 mln ounces of Silver produced since 2008
- > 2000 employees
- 27% of Kinross global production
- Proven track record of adding quality ounces
- High-grade epithermal district with exploration upside

GLOBAL PORTFOLIO
- Operating mine
- Development project

(1) Please refer to en

RESOURCE CURSE OR BENEFIT FOOTPRINT?

- The term “*resource curse thesis*” was first used by Richard Auty in 1993
- Jeffery Sachs – 1995 – posed a theoretical model:
  - Corruption
  - Poor development strategies
  - Growth-damping inflation
  - Focus of labor in the predominant sector
- …which has been further refined over the years:
  - Profits to overseas shareholders
  - Illicit flows – transfer pricing

NBER Working Paper 5398
December 1995

NATURAL RESOURCE ABUNDANCE
AND ECONOMIC GROWTH

ABSTRACT

One of the surprising features of modern economic growth is that economies with abundant natural resources have tended to grow less rapidly than natural-resource-scarce economies. In this paper we show that economies with a high ratio of natural resource exports to GDP in 1971 (the base year) tended to have low growth rates during the subsequent period 1971-89. This negative relationship holds true even after controlling for variables found to be important for economic growth, such as initial per capita income, trade policy, government efficiency, investment rates, and other variables. We explore the possible pathways for this negative relationship by studying the cross-country effects of resource endowments on trade policy, bureaucratic efficiency, and other determinants of growth. We also provide a simple theoretical model of endogenous growth that might help to explain the observed negative relationship.

Jeffrey D. Sachs
Harvard Institute for
International Development
One Eliot Street
Cambridge, MA 02138
and NBER

Andrew M. Warner
Harvard Institute for
International Development
One Eliot Street
Cambridge, MA 02138

THE RESPONSE: INCREASING REVENUE TRANSPARENCY

*"3.5 billion people live in resource-rich countries. Still, many are not seeing results from extraction of their natural resources. **And too often poor governance leaves citizens suffering from conflict and corruption**. The EITI was formed to change this." – EITI Website*

*…the lack of strong systems of transparency and accountability in the management of the extractive sector in some resource-rich countries has too often **allowed revenues to be diverted from high-priority national needs**. – G8 Communique*

GRI – 2000

Global Reporting Initiative (GRI) establishes standard for CR Reporting, including Payments to Governments

EITI – 2002

Extractive Industries Transparency Initiative created for developing countries to track resource-related revenues

Dodd Frank – 2010

Economic reform law in US includes clause requiring disclosure of payments on project-by-project basis

G8 – 2013

On the eve of the G8 Summit, Canada announces it will establish new mandatory reporting standards on the heels of the European Parliament's vote for strong new disclosure requirements for extractive companies

*"With country- and project-level information on the funds collected by their governments on resource extraction, **citizens can hold their governments to account for the management of oil, gas and mining deals** as well as the money their governments receive in exchange for these assets." – Publish What You Pay*

GOVERNMENTS ARE PUSHING FOR A GREATER SHARE

THE GLOBE AND MAIL

Search: | News & Quotes | Jobs

Enter a term, stock symbol or company name

Home | News | Opinion | Business | Investing | Sports | Life | Arts

Streetwise | Economy | International | Industry News | Small Business | Comm

Energy & Resources | Marketing | Law | Property Report

Try Globe Unlimited - 1 month for just 99¢

Home » Report on Business » Industry News » Energy & Resources

Latin America losing allure for global resource companies

MARTA LILLO

SANTIAGO — The Globe and Mail

Published Monday, Nov. 11 2013, 7:14 PM EST

Last updated Monday, Nov. 11 2013, 7:29 PM EST

The Economist

World politics | Business & finance | Economics | Science & technology | Culture

Mining in Mexico

The sovereign take

A new royalty rattles investors

Nov 2nd 2013 | GUANAJUATO | From the print edition

Like 54 | Tweet 20

BRADFORD COOKE runs his finger along a vein of ore rich in silver and gold and comes as near to purring as a veteran Canadian miner can. "This place has been

The Economist

World politics | Business & finance | Economics | Science & tec

Mining in Brazil

Time to dig deep

A long-awaited bill ends uncertainty, but will hit mining companies' profits

Jun 22nd 2013 | From the print edition

Like 54

FOUR years after Brazil's government said it was planning a radical rewrite laws, on June 18th the industry, which accounts for 4% of GDP and almost exports, finally learned its fate. Maximum royalties on mineral wealth are to

Global development

Tuesday 18 June 2013 13.03 BST

Africa 'ripped off big time' by foreign resource firms, says bank chief

Donald Kaberuka, president of the African Development Bank, tells the international community to press for more transparency

Donald Kaberuka, president of the African Development Bank. Photograph: Reuters

THE BENEFIT FOOTPRINT OF MINING GOES BEYOND PUBLIC REVENUE GENERATION

- In addition to resource revenues paid to governments, there are other measures of the positive impact of mining operations:
  - Job creation
  - Use of local suppliers
  - Amount of money spent on community programs

The "Benefit Footprint" is a methodology Kinross uses to measure the extent to which the total value generated by our operations is captured within local communities and in host countries

- ***where*** the value generated by our mines goes – local, regional, domestic, or outside host countries; and
- ***who*** is the recipient – government, employees, businesses, or communities

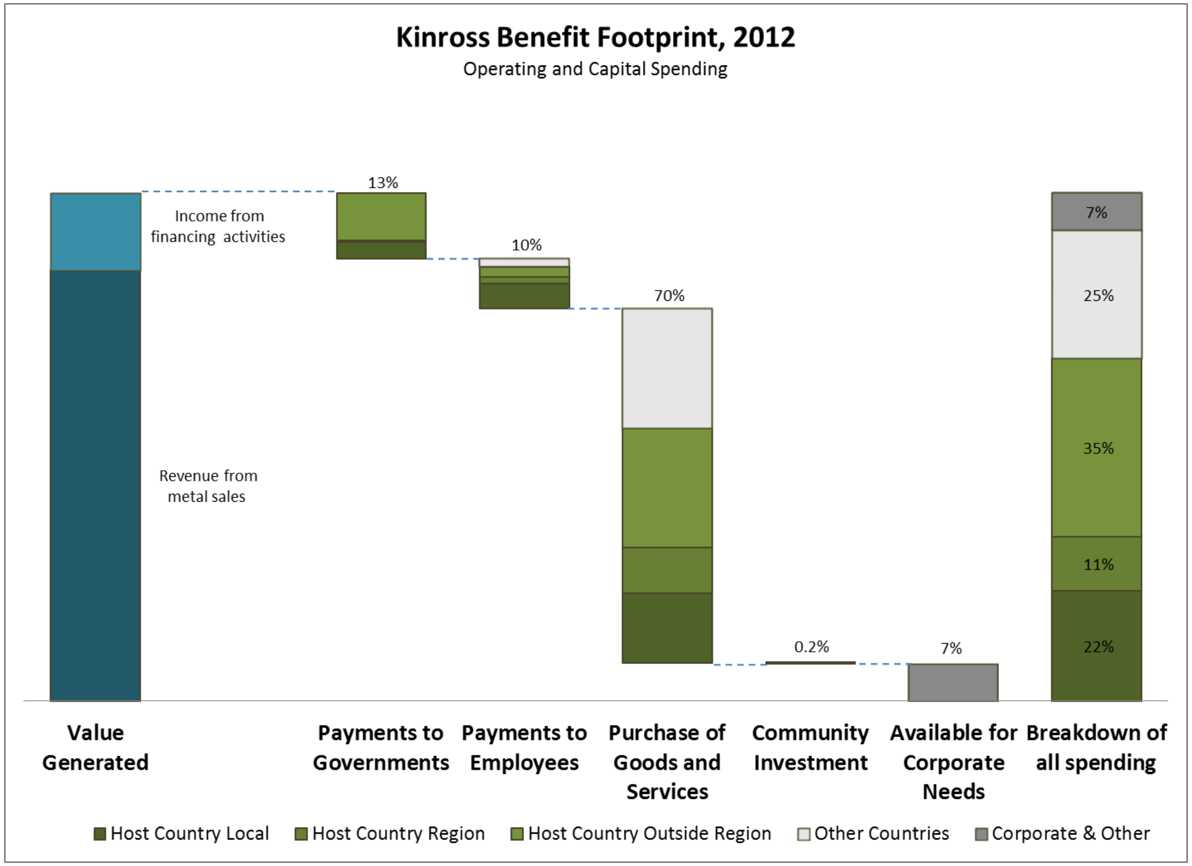
KINROSS' 2012 BENEFIT FOOTPRINT DATA

- **About 68% of the value generated by Kinross is captured in the economies of host countries**

- By category:
  - Governments – 13%
  - Employees – 10%
  - Suppliers – 70%
  - Communities – 0.2% (about 1% EBITDA)

- By geography:
  - Local – 22%
  - Host country region – 11%
  - Host country outside region – 35%
  - Other countries – 25%

  - Available to cover corporate overheads, exploration – 7%



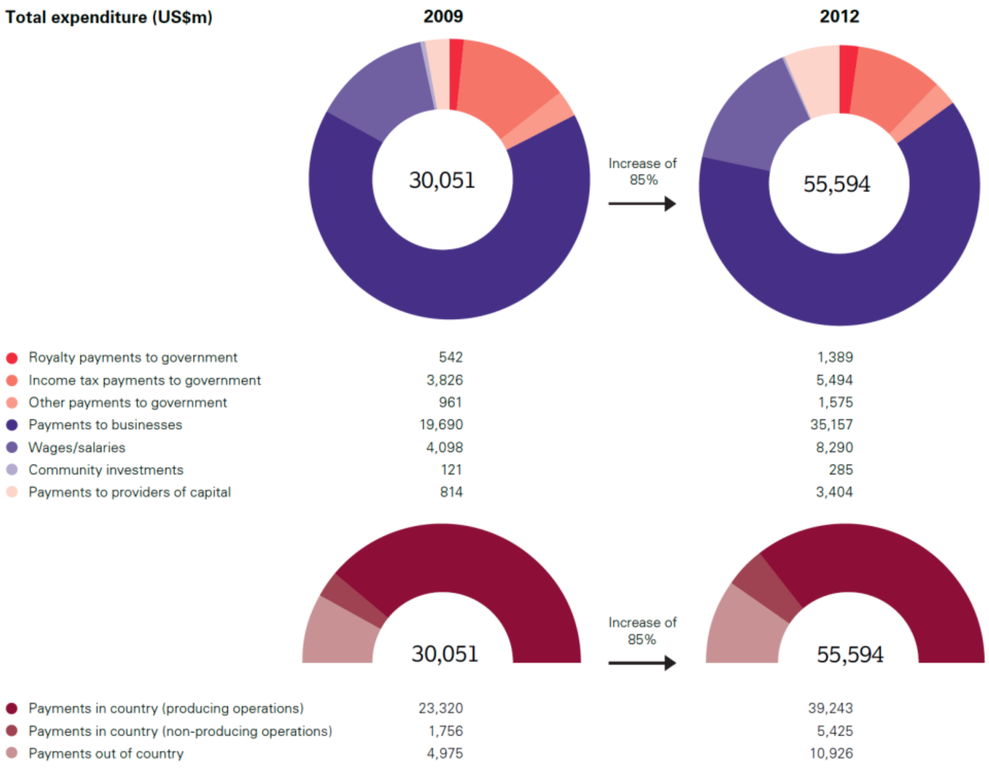
NEW COMPILATION: WORLD GOLD COUNCIL

- First-ever compilation of company data on distribution of economic value:
  - 15 companies with over 220,000 employees in 28 countries
  - 96 producing gold mines and numerous more “non-producing operations”

- Globally, the companies spent over US$55.6bn in 2012

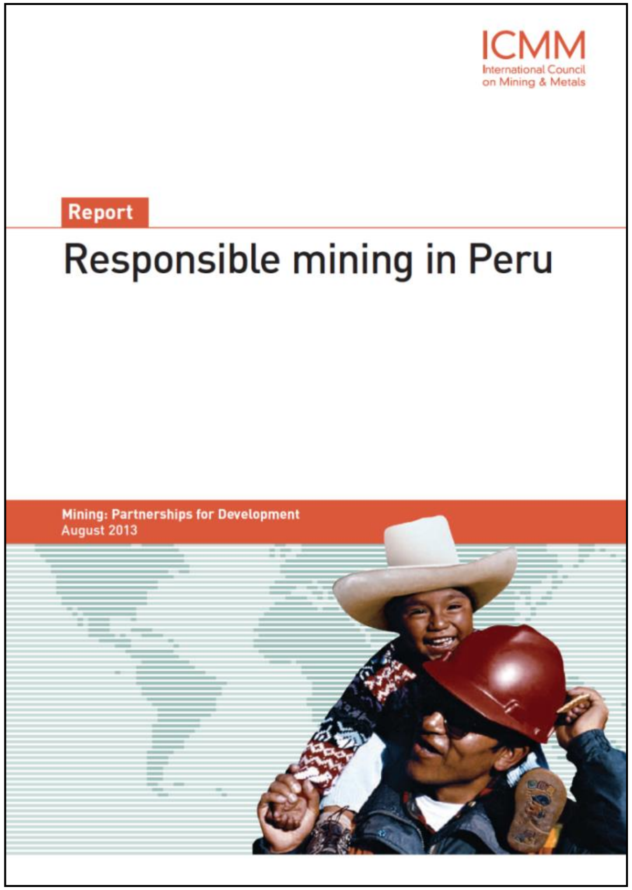
- **Over 80% of this spending was spent in the host economies**

- Of the $55.6bn in total expenditure,
  - $35.2bn (62%) went to suppliers,
  - $8.3bn (15%) in wages and salaries,
  - $8.5bn (15%) in taxes to government and
  - $3.4bn (6%) in payments to providers of capital (including dividends and interest).



THE WGC REPORT IS ONE OF MANY

- This adds to the growing literature of country-specific case studies that document the positive benefit footprint of the mining industry
  - ICMM Case Studies –
    - Chile (2007)
    - Peru (2007, 2013)
    - Brazil (2012)
  - World Gold Council –
    - Tanzania (2009)
    - Peru (2011, 2012)



"This data demonstrates that mining has a significant and growing role to play in economic development in general and poverty reduction in particular… mining areas have enjoyed stronger poverty reduction and social development performance than non-mining areas."

ICMM – "The Role of Mining in National Economies"

SO WHY THE CONTINUED DEBATE?

- Host governments still face very difficult economic challenges – foreign exchange, trade imbalance, demographic pressures, etc.

- The factors that previously limited development of other sectors in host countries still limit development in those sectors: lack of arable land, difficult transportation and logistics, unreliable / expensive energy, etc.

- There is no “magic formula” of tax scheme: each mine is unique – grade, mine life, capital requirements, operating workforce requirements, etc.

- Political pressures are real, and it’s easier to say “mining should be generating more” than it is to solve the issues that limit other sectors

WHAT CAN MINERS DO TO EXPAND THE BENEFIT FOOTPRINT?

- Continue to improve our CSR practices:
  - Environmental protection
  - Workforce development and training
  - Local procurement and business development
  - Supplier capacity building – human rights, tax responsibility, health / safety
  - Community investments with targeted sustainable outcomes

- Partner and support development investments – health, education, training, etc.

- Encourage more focus on eliminating barriers in other sectors

CONTRIBUTING TO ECONOMIC & SOCIAL DEVELOPMENT

2013

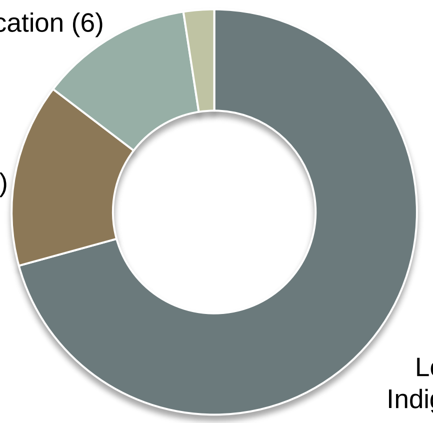
Jobs:	**≈ 2000**
Taxes & Royalties:	**> 3.4 billion rubles**
Wages & Benefits:	**> 3 billion rubles**
Purchased Goods & Services in Russia:	**> 8 billion rubles**
Total Community Investment:	**> 18 million rubles**

2009 – 2013

KUPOL FOUNDATION:

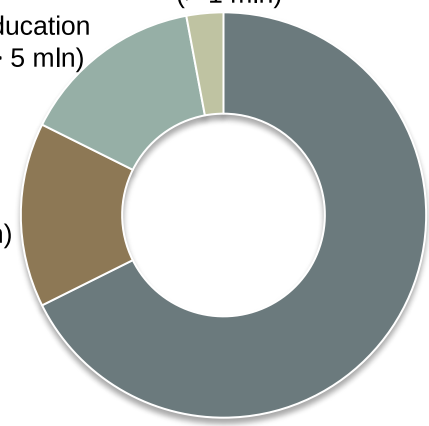
47 PROJECTS: > 34 MILLION RUBLES

Kupol Foundation Projects



Funding from Kupol Foundation

(in Rubles)



KINROSS GOLD CORPORATION

25 York Street, 17th Floor | Toronto, ON | M5J 2V5

www.kinross.com