

ENVIRONMENTAL RESPONSIBILITY

WATER MANAGEMENT

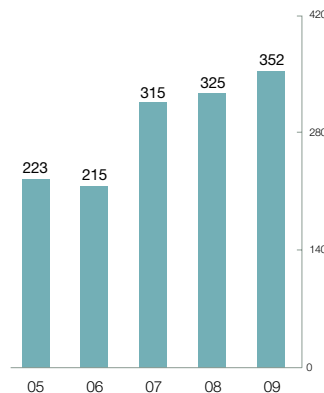
Protection of water resources is a top priority at all of our operations. Whether in the arid desert mountains of Chile or Brazil's tropical savannah, water resources are precious and Kinross takes its stewardship responsibilities seriously.

The potential impacts of our activities on water resources are carefully analyzed and considered during project planning. Monitoring programs are established early and continue through the life cycle of our operations to verify that operational design and controls are protective of water resources. By-products of our mining and processing operations are strictly controlled to minimize impact to the environment and safeguard the health of employees and neighbouring communities.

Water quality is a particular concern for communities that lie in close proximity to our operations. At Paracatu, we monitor water quality at a number of points, both near our property and tailings facility and at downstream locations. This data is shared with public sector authorities on a monthly basis. At the request of Santa Rita, a community downstream from the operation, Kinross provides resources to monitor the quality of the water and conduct independent assessments that have become part of the overall water monitoring program.



Water Consumption Rates
(litres/tonne of ore processed)



To improve water quality and flow in important feeder streams in the Paracatu area, we completed improvements to Rico Creek in 2009 and launched the Espalha Creek (a tributary stream of Rico Creek) project to protect its spring, recover flow previously affected by extensive agricultural activities and the reduction in the watershed area of Rico Creek caused by our mining activities. For more information, see the case study [United Waters of Espalha Creek](#). We also improved our passive treatment systems to improve the water quality of creeks downstream of the mine pit and tailings dam.

Should monitoring identify that existing controls are not achieving performance objectives, corrective measures are implemented before significant impacts can occur. Our water management and treatment systems at our Kettle River-Buckhorn operation provide an example of this approach. During 2009, the water treatment systems were unable to consistently meet desired water quality and volumes. The introduction of

As outlined in detail in our 2007 Corporate Responsibility Report, Kinross has established an extensive remediation program at its La Coipa site to address mercury contamination of groundwater adjacent to the tailings facility, resulting from mercury that occurs naturally in the orebody.

Site monitoring indicates that the operation of the containment and remediation systems has effectively prevented further down-gradient migration of mercury in groundwater, contained the contamination within the site boundary, and has also made good progress in reducing mercury levels in the plume. La Coipa has continued to operate in full compliance with regulatory standards for mercury.

improved plant control systems corrected many of the problems, while a systematic engineering evaluation of the treatment technologies resulted in the addition of reverse osmosis in August 2009. Subsequently, the operation has consistently achieved full compliance with discharge water standards and additional improvements are in progress to increase plant capacity and robustness.

In June 2009, the DeLamar reclamation site was assessed an administrative penalty by the U.S. Environmental Protection Agency following a compliance inspection, during which turbidity was noted in water coming from an area where naturally occurring clay had been excavated for use as construction material for reclamation covers. Unusually heavy precipitation and snowmelt

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immediately prior to the inspection resulted in a discharge from in-pit sediment ponds. Kinross took immediate corrective actions to address the problem and prevent a recurrence of this event during periods of high precipitation.

Efficient use and conservation of water resources is a component of Kinross' environmental stewardship responsibilities. Water usage is monitored at each operation and opportunities for conservation are routinely evaluated as part of our continuous improvement efforts. Recognizing that water usage

at our Maricunga operation had been increasing annually, a comprehensive audit was performed in 2009 to assess the efficiency of water usage. The capital required to implement the audit recommendations is currently being evaluated. Based on the success of the Maricunga audit, additional audits are being considered for other operations.

In early 2010, our La Coipa operation received a GE Ecomagination Leadership Award for reduced water use, benefiting one of the most water-stressed areas of Chile. La Coipa successfully reduced the

amount of water used for dust control by nearly two-thirds, while simultaneously reducing dust emissions by more than half. As a result, the mine conserves some 45 million litres of water annually, while also reducing operating expenses and improving overall safety conditions.

As part of our drilling program at Fruta del Norte, we have developed an innovative recirculation and treatment process which allows the drilling team to recirculate more than 70% of the water used for drilling, significantly reducing total water consumption.

Case Study

UNITED WATERS OF ESPALHA CREEK

In August 2009, Kinross' Paracatu operation launched the Espalha Creek Águas que Unem (United Waters) project, a joint initiative with local farmers, governments and universities focused on Espalha Creek in the region of Paracatu. The project aims to promote environmental preservation and improve the hydrologic characteristics of the creek, which 16 local families depend on to supply water for agricultural activities and cattle farming.

Espalha Creek is the most significant tributary to Rico Creek, contributing 80% of the water flowing into Rico Creek, a vital water resource for the city of Paracatu. Since 2007, Kinross has been leading the \$2.5 million Rico Creek rehabilitation program, stabilizing shorelines, re-establishing riverside vegetation and sponsoring the development of adjacent public parklands with playgrounds and sports facilities. Our contributions to improving Espalha Creek's water flow will help enhance environmental conditions along Rico Creek and throughout Paracatu.

The Espalha Creek project is re-establishing the forest areas alongside the creek, constructing 500 small dikes to slow stream flow and creating contours in the land to reduce erosion and increase underground flow. Together, these improved land husbandry initiatives will reduce the rate of runoff and prevent soil erosion. Education programs with the local farmers aim to embed these management practices so that they can maintain the revived springs feeding the creek. Monitoring devices have been installed and a local Kinross



Paracatu employee measures creek flow monthly. These watershed improvements will more than offset the relatively small impact of our Paracatu mine on the upper reaches of Rico Creek. The Paracatu site has invested around \$250,000 in this project.

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SPILLS

Because operations must be capable of handling both storm events as well as ongoing water use in both mining and ore processing, water management systems can be quite complex. For this reason, Kinross requires all operations to maintain accurate predictive water balance models. These models help ensure that facilities are properly designed and managed to accommodate storm and process upsets. In 2008 and 2009, Kinross had no process solution spills that constitute what we call a “major release,” defined as a spill that enters a waterway, leaves the permit area or requires reporting to regulators.

In addition to process solution, Kinross is committed to the prevention and management of accidental spills of fuels or chemicals by our operations and transporters. To highlight the importance of good fuel and chemical management, major releases are considered a negative factor in determining the performance of each operation. While Kinross had no significant spills in 2008, in 2009 there were two fuel spills on the ice road leading to our Kupol operation. The separate incidents involved overturned diesel supply trucks, one Company-owned and one contractor-owned. Both spills were contained and cleaned up and had no significant environmental impact.



AIR EMISSIONS

Dust produced from road travel as well as mining and ore crushing is one of the most significant emissions from our operations and is controlled with surfactants and water sprays, as well as bag houses at point sources. In response to community concerns raised in 2009 at our Paracatu operation, we expanded our dust management program significantly to increase the use of dust surfactants, installed additional water spray systems, reduced the area of active vehicle movement within the mining area during the dry season, when dust is a problem, and improved dust monitoring systems and programs. The result so far has been a marked reduction in community complaints regarding dust.

Other common air emissions are the result of hydrocarbon combustion in trucks and other heavy equipment, mobile generators and other power sources. These emissions are primarily carbon dioxide, a major greenhouse gas (see discussion in [Energy and Climate Change](#) on next page).

In addition, filter presses, kilns, furnaces and other thermal sources have air emissions that are controlled with the use of scrubbers and bag houses. Our routine maintenance of control equipment and regular monitoring ensures that emissions do not impact receptors and remain below permitted limits. An example is our Round Mountain operation, which continued a voluntary program to lower mercury emissions, achieving a 93% reduction in 2009 over 2007 levels to 3.76 kg annually.

A Company-wide assessment of all thermal emission sources was conducted in 2008 to identify opportunities for further reducing metals emissions. While the assessment determined that air emissions are very low at most Kinross operations and represent best management practice, improvements were recommended at our La Coipa operation. Improved maintenance, ventilation systems and practices implemented in 2009 have resulted in significantly lower worker exposure levels and emissions to the environment, with a 97% reduction in 2009 compared to 2006.

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ENERGY AND CLIMATE CHANGE

At Kinross, we recognize that we have both an environmental and an economic imperative to improve energy efficiency and limit greenhouse gas emissions at our operations to the greatest extent practicable. The majority of Kinross' greenhouse gas emissions are associated with imported electricity use (indirect energy use) and diesel fuel used by our haulage fleet (direct energy use).

Growth in production brings with it increased energy demand. We have stepped up our efforts to understand our impact and focus on initiatives to reduce energy consumption and improve energy efficiency wherever possible.

Kinross increased its gold output by approximately 40% in 2008 and 2009 as three new projects started production, and our total energy consumption and CO₂ emissions increased as a result. Direct energy consumption increased by 29% in 2008 and 24% in 2009, while indirect energy consumption increased by 3% in 2008 and 44% in 2009. CO₂ emissions resulting from direct energy consumption increased by 25% in 2008 and 17% in 2009, while emissions resulting from indirect energy consumption increased negligibly in 2008 and by 29% in 2009.

Nevertheless, when calculated against tonnes of ore processed, CO₂, after increasing in 2008, dropped back close to 2007 levels in 2009. While energy use increased during this same period, the reduction in CO₂ reflects our success at increasing the ratio of lower carbon intensive energy types in our total energy usage.

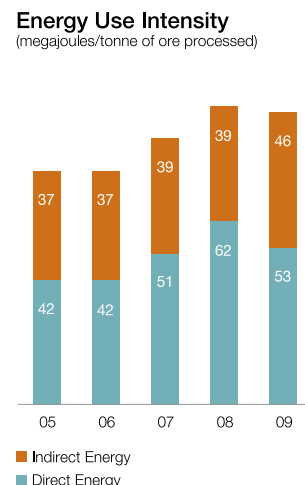
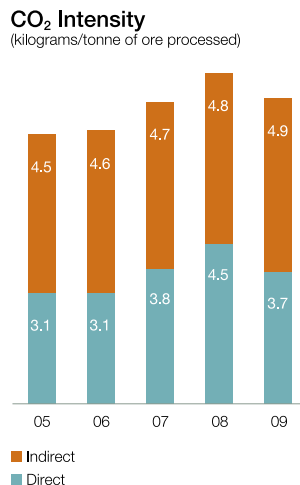
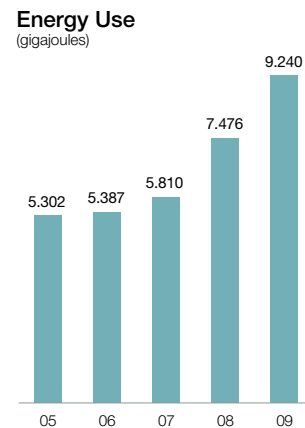
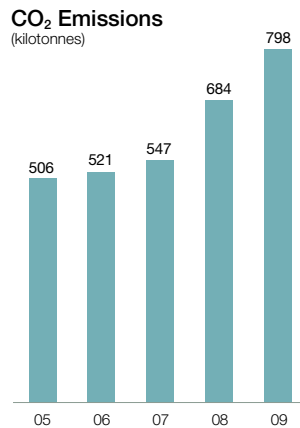
Initiated in 2009, we are continuing with the development of a climate change strategy in 2010 and, as we do so, we

are evaluating the potential impacts of our actions on shareholder value, risk mitigation measures associated with carbon costs, and opportunities to demonstrate leadership. As part of our Enterprise Risk Management process, we are also planning a climate change risk management workshop for 2010 to address potential risks associated with climate change.

In response to the need for greater energy efficiency, and in an effort to monitor and reduce greenhouse gas emissions, we initiated a Global Energy Assessment for all of our operations, which we will complete in the first half of 2010. Through it we have compiled a comprehensive baseline of actual and

potential energy sources at our mines, including wind, geothermal, water and solar, and identified potential energy efficiency projects. This information is informing the development of our carbon use policy and providing direction to our global energy efficiency program.

One example of the results of this program is the improvements made at our Round Mountain mine in Nevada in 2008. Installation of higher efficiency motors and lighting resulted in an annual savings of approximately 1,000 MWh in electric power consumption, an annual greenhouse gas emissions reduction of 500 tonnes CO₂ and annual electrical cost savings of almost \$75,000.



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Other actions we are exploring and implementing include:

Process Efficiency Measures

A number of best practice process initiatives were identified to help sites use energy more efficiently. These included installing more efficient drives on motors, renewing compressed air systems, monitoring tire pressures and managing truck speeds and loads for greater fleet efficiency. The measures are being rolled into our Continuous Improvement framework for prioritization and implementation.

Generation Projects

In 2010, we are assessing micro hydro projects at Maricunga, La Coipa and Round Mountain. Our Kupol operation maximizes the efficiency of its power plant using waste heat from the cooling circuits of its generators to supply electricity in the summer and heat in the winter. Fort Knox and Kupol are converting waste oil into heat energy, a technology that also avoids shipping the waste off-site. Waste oil converter systems are under consideration at Maricunga, La Coipa and Round Mountain.

Alternative and Renewable Energy

Wind energy monitoring stations at Round Mountain and our DeLamar reclamation site, installed in 2008, established that current wind resources are not adequate for development. A wind monitoring mast was installed in 2010 at Kupol to assess the wind resource. We continue to explore the development of alternative energy sources at our reclamation sites, where we have large land holdings and transmission capabilities.

We publicly disclose our greenhouse gas emissions on an annual basis to the Carbon Disclosure Project. For the first time, our 2009 data was verified by an independent third party, a measure that we believe both increases our transparency and supports the accuracy of our business forecasts. To learn more, visit the Carbon Disclosure Project web site at www.cdproject.net.

WASTE MANAGEMENT

Our mining operations produce mineral and non-mineral wastes. Kinross' environmental management standards clearly state corporate expectations for the minimization, reuse, recycling and proper disposal of all wastes.

Non-Mineral Wastes

Non-mineral wastes include spent batteries, fluorescent light bulbs, cupels and crucibles used in the refining process, waste oil and spent solvents. We are continuously seeking ways to reduce waste generation as well as increase the amount of waste we can recycle or reuse. We dispose of materials that cannot be recycled or reused in a manner that is environmentally acceptable, in compliance with regulations and using handling and storage procedures that ensure people and the environment are protected. We have recycling programs at each of our operations, such as the hazardous materials centre established in 2009 at our Maricunga site in Chile to manage fluorescent lights, waste oil, batteries and ink cartridges.

Mineral Wastes

Gold and silver production involves both physical and chemical processes. Residual materials from the production processes are waste rock (rock that does not contain enough mineral to be economically extracted) and tailings (ground rock and residual effluents from chemical extraction processes).

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Waste Rock Management

Upon exposure to air, the newly exposed surfaces of waste rock begin to oxidize. If the rock contains sulfides, the oxidation products when washed away can acidify water and produce what is known as acid rock drainage. Uncontrolled acid rock drainage can have detrimental impacts on water quality and fisheries. Recognizing the risk associated with acid rock drainage, we require each operation to develop management plans to ensure that waste rock facilities are both physically and chemically stable. Regular monitoring and inspection is required to verify that design expectations are being met.

In 2008, we became an active member of the International Network for Acid Prevention (INAP). Through our association with INAP, we are supporting the development of sound technical guidance and standards for the prevention and control of acid mine drainage and are making this guidance available to everyone via the web.

Tailings Management

Tailings are primarily disposed of in storage facilities designed, built, operated and closed to meet regulatory and engineering safety and environmental standards. In addition to requiring an annual inspection of each Kinross tailings facility by a geotechnical engineer, in 2009 we initiated an additional review process led by an external geotechnical expert who reports to senior management at Kinross. This includes review of design, construction, monitoring, operations and closure performance, and provides an additional level of oversight to ensure the stability and safety of these facilities. At mine closure, tailings dams are



decommissioned and reclaimed to increase their long-term stability and ensure that they become a part of the post-mine land use.

Cyanide Management

Since much of the ore that Kinross mines contains highly disseminated low concentrations of gold, the use of aqueous chemical extraction processes is the only economically viable method of extracting the gold from the ore. The most efficient and environmentally safe reagent available for the extraction of gold is cyanide. However, as a hazardous material, the use and management of cyanide require stringent controls at all times, from transportation to disposal.

Recognizing the importance of maintaining the highest standards of cyanide management, Kinross was one of 14 initial signatory companies to the International Cyanide Management Code (Cyanide Code) in 2005. Today, more than 50 gold mining companies and cyanide producers and transporters from around the world are signatories. A voluntary program, the Cyanide Code is

focused on the safe manufacture, transportation, storage, use and decommissioning of cyanide facilities used in the production of gold. It requires on-site verification by an independent third-party auditor for initial certification and every three years thereafter. Status and summary audit reports are posted at www.cyanidecode.org.

Kinross is committed to 100% certification of all our operations under the Cyanide Code. Our Round Mountain site was our first operation to be certified, in 2007. In 2008 and 2009, we completed the certification of our operations at Maricunga, Paracatu, our joint venture at Crixás, Fort Knox, Kettle River-Buckhorn, and Kupol. Maricunga and Kupol were the first mines to achieve certification in Chile and Russia, respectively. We intend to complete the verification process at La Coipa before the end of 2010 with a goal of achieving certification in 2011. To learn more about certification at Kupol, see the case study [Managing Cyanide in Russia](#).

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RECLAMATION AND CLOSURE

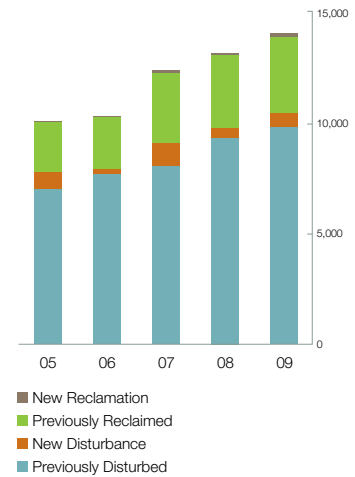
Returning land disturbed by mining to stable and productive post-mining land uses is fundamental to our commitment to prudent and responsible stewardship of the environment. This commitment extends to the complete and safe closure of sites that we have acquired, such as those that were part of the Bema Gold acquisition in 2007.

Kinross requires that areas no longer required for operations be reclaimed in a contemporaneous manner. An example of this in 2009 was at Kettle River-Buckhorn where, even while the Buckhorn mine was being developed, reclamation of the closed Key mill and Lamefoot mine sites was being completed.

Working with our stakeholders, reclamation planning entails an extensive analysis of land use options, environmental questions and often community development concerns and objectives. Closure planning is an integral consideration during initial mine planning and is regularly updated as new information becomes available or mining operations are optimized. Our goal at each site is to minimize our environmental footprint, which includes both limiting the area disturbed by our activities as well as the reclamation of lands when they are no longer required. Our six reclamation sites, DeLamar, Hayden Hill, Mineral Hill, Sunnyside, Champagne and Wind Mountain, are all located in the United States. Our closed DeLamar mine, awarded the U.S. Bureau of Land Management's Hardrock Mineral Environmental Award in 2009, provides a leading example of our reclamation commitment. See the case study, [DeLamar Reclamation Award](#).

Socio-economic issues are also an important consideration for mine closure, and we believe that we are able to achieve successful results through ongoing consultation and involvement with the communities where our mining and reclamation activities are underway. For more on this, please see our discussion in the [Community Section](#) of this report.

Land Status
(hectares)



Case Study

DELAMAR RECLAMATION AWARD

In October 2009, Kinross was presented with the U.S. Bureau of Land Management (BLM) National Hardrock Mineral Environmental Award for its reclamation work at the former DeLamar mine site in southwestern Idaho. This award acknowledges operators with an exceptional track record of meeting or exceeding reclamation requirements.

When operations were suspended in 1998, the DeLamar mine had over seven million cubic metres of water stored in the tailings pond, and almost 170 hectares of disturbed area that generated acid rock drainage. Through a combination of water treatment, pit backfilling, cover placement and other reclamation, today all of the water at DeLamar has been effectively treated and returned to the ecosystem, primarily through a land application process that enhances wildlife habitats

and livestock grazing areas on private lands. A significant amount of work has gone into water management, specifically through the use of an engineered clay cover that is placed over reactive soils so that new rainwater won't penetrate the soil and, instead, can be released as clean storm water back into the environment. The reclamation is expected to be completed in 2012, with water treatment and monitoring continuing for several years beyond that date.



BIODIVERSITY

Protecting the ecosystems in and around our mining operations begins with the development of detailed inventories of the biological communities in the vicinity, followed by an assessment of how Kinross' activities can be designed to have minimal impact. Our assessment process is carried out in consultation with local stakeholders – governments, NGOs, indigenous peoples and other community members – who can best help us understand and protect local ecosystems. See the case study, [Protecting Biodiversity in Ecuador](#).

Throughout the life of our operations, we monitor the ecosystems to ensure that our impacts are minimal. Where impacts are unavoidable, we take steps to mitigate those impacts. An example is at our closed Hayden Hill operation, which agreed to preserve and improve habitat adjacent to the mine in 1991. Closed in 2001, Hayden Hill managed these lands until 2009, when ownership of 306 hectares was transferred to the U.S. government.

An important component of our commitment to sustainable development is the improvement of ecosystems

around our mining operations. In 2009, our Paracatu operation in Brazil completed restoration of 87 hectares historically impacted by artisanal miners on Rico Creek downstream from today's operations. Our Maricunga operation continues to assist Chile's National Forestry Service (CONAF) to support the conservation of high Andean wetlands and wildlife management plans at the nearby Laguna del Negro Francisco National Park and nature reserve.