

ECONOMIC RESPONSIBILITY

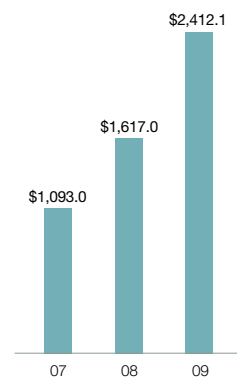
We are steadfast in our pursuit of superior business and financial performance. Rigorous financial discipline and outstanding corporate citizenship are enshrined in our four core values, and we believe they go hand-in-hand. By delivering on our strategy and commitments to our shareholders, we generate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

Our financial highlights for the years 2008 and 2009 include the following:

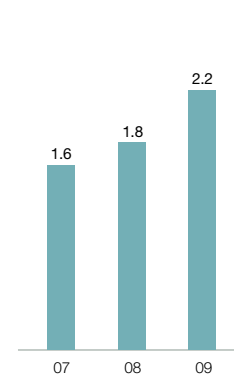
- Attributable¹ production of approximately 1.8 million gold equivalent ounces in 2008 and 2.24 million gold equivalent ounces in 2009, a two-year increase of 40% over 2007;
- Revenue of approximately \$1.6 billion in 2008 and \$2.4 billion in 2009, a two-year increase of 118% over 2007;
- Average attributable¹ margins of \$436 per ounce sold in 2008 and \$530 in 2009, a two-year increase of 61% over 2007;
- Adjusted operating cash flow² of \$634.6 million in 2008 and \$937.2 million in 2009, a two-year increase of 199% over 2007.

For a detailed account of Kinross' 2009 and 2008 financial performance, see our annual reports on www.kinross.com.

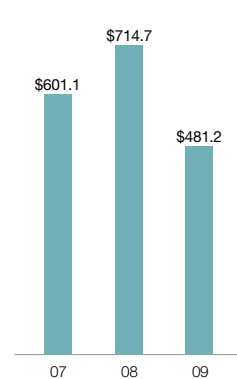
Revenue
(\$ millions)



Attributable Production¹
(million gold equivalent ounces)



Capital Expenditures
(\$ millions)



Adjusted Operating Cash Flow²
(\$ millions)



¹ "Attributable" only includes Kinross' share of Kupol production (75%)

² Adjusted operating cash flow is a non-GAAP measure. For a reconciliation of this non-GAAP measure, see our [2009 Annual Report](#) (pages 154 and 155).

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DISTRIBUTING ECONOMIC VALUE

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

- **Cost of Sales:** Our cost of sales was \$1,047.1 million in 2009 and \$768.8 million in 2008, including labour, energy, consumables and maintenance costs, but excluding accretion, reclamation expenses, depreciation, depletion and amortization.
- **Wages and Benefits:** We provided wages and benefits of \$302.2 million in 2009 and \$281.5 million in 2008.
- **Shareholder Value:** As a measure of our strong financial and operating performance in recent years, and our commitment to providing superior returns for Kinross shareholders, we declared our first-ever common share dividend in February 2008. In 2009, we paid dividends of \$62.4 million to shareholders of record.
- **Payments to Providers of Capital:** Our interest and dividends paid to providers of capital in 2009 amounted to \$92.6 million for the year compared to \$101.2 million in 2008.
- **Payments to Governments:** We pay taxes and royalties in jurisdictions where we operate, including Canada, the United States, Brazil, Chile and the Russian Federation. In 2009, we paid \$298 million in income tax, mining tax, royalties and land use payments to various governments, compared to \$146.1 million in 2008.



- **Direct Community Investments and Donations:** In 2009, Kinross contributed some \$3.9 million in direct economic value through donations and community investments to our communities in Canada, the United States, Chile, Brazil, Ecuador and Russia. In 2008, our contributions were \$2.2 million.
- **Pension Plans:** The Company has several retirement plans covering employees in North America and South America.
- **Government Financial Assistance:** Kinross does not receive significant financial aid from governments, apart from standard tax relief measures that are available to businesses in the jurisdictions where we operate.
- **Local Recruitment:** Wherever feasible, we hire employees locally and provide supply contracts to local and regionally based businesses. We have been able to successfully recruit the majority of our mine site operations and management teams from local talent pools. Of our total workforce, 84% is hired locally.
- **Direct and Indirect Economic Value:** Kinross' mining activities can help other economic sectors of society grow, particularly in remote regions and developing economies. In the Community section of this report, we discuss our community investment contributions in 2008 and 2009 – to schools, health care, local infrastructure, small business development, indigenous-related initiatives and other activities.

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Economic Value Distributed and Retained Kinross Total

(millions \$)

	2009	2008
Direct Economic Value Generated	2,412.1	1,617.0
Economic Value Distributed		
Operating Costs ¹	881.4	606.3
Employee Wages and Benefits	302.2	281.5
Payments to Providers of Capital ²	92.6	101.2
Payments to Governments ³	298.0	146.1
Community Investments ⁴	3.9	2.2
Economic Value Retained	834.1	479.7

2009 Economic Value Distributed and Retained By Country

(millions \$)

	Direct Economic Value Generated	Operating Costs ¹	Employee Wages and Benefits	Payments to Providers of Capital ²	Payments to Governments ³	Community Investments ⁴	Economic Value Retained
Brazil	413.7	228.0	36.0	5.3	37.8	1.7	104.9
Chile	445.2	198.9	43.8	0.3	13.5	0.2	188.5
Russia	900.2	115.5	45.5	16.6	186.3	0.9	535.4
United States	653.0	186.1	121.7	N/A	52.7	0.3	292.3
Corporate and Other		152.9	55.2	70.4	7.7	0.8	(287.0)

1 For purposes of calculating economic value distributed and retained, operating costs exclude depreciation, depletion and amortization and impairment charges. Wages and benefits, community investments and payments to governments, other than income and mining taxes, normally form part of operating costs, but have been excluded as they appear on separate lines in the calculations.

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

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

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

2009 Total Local ¹ Spending

(millions \$)

	Percentage of spending on goods and services that is local
United States ²	55%
Chile	97%
Russia	20%
Brazil	16%
Ecuador	38%
Total Kinross Operations	37%

1 Each Kinross site has defined "local" based on the geographic definition of "local" for their operation.

2 Excludes Round Mountain (data not available).

To learn about Kinross' contribution to community development in local communities, see [Community and Social Development](#).

Case Study

CONTRIBUTING TO ECONOMIC DEVELOPMENT IN RUSSIA

Our Kupol operations, which began production in 2008, are located in the remote Chukotka region of northeastern Russia, 200 kilometres from the nearest town. Development of the project has resulted in significant economic stimulus for the region.

In 2009, the direct economic value we distributed locally in Russia from our Kupol operations totalled some \$369.0 million, including wages, purchase of goods and services, taxes and charitable donations. Of this, approximately \$221.1 million was realized within the Chukotka region itself. This includes:

Wages and Benefits: We paid \$4.0 million to residents of Chukotka. Cumulatively since 2004, we have employed more than 475 Chukotka residents at Kupol. At the end of 2009, 63 indigenous people were employed by Kupol and its major support contractors.

Purchase of Goods and Services: Wherever feasible, we provide supply contracts to local and regionally based businesses. In 2009, we spent \$55.9 million on fuel, contractors to provide road and aviation transport, and agricultural products, such as reindeer meat and fish, within Chukotka.

Taxes: In 2009, our activities generated \$134.9 million in taxes and payments in the Chukotka region. Our tax payments amounted to more than 30% of the total budget of the regional government.

Dividend Payment: The Government of Chukotka holds a 25% share in Kupol through the State Unitary Enterprise "Chukotsnab". Upon demonstrating to the project's international lenders that Kupol had completed the successful transition from construction to full economic operations, Kupol declared a special distribution to shareholders and, as a result, the Chukotka region received a dividend of \$23.3 million net of withholding tax in 2009, and a further \$6.4 million net of withholding tax in March 2010.

Elsewhere in Russia, our Kupol operations contributed another \$147.8 million, \$55.5 million of which was realized within the Magadan region, in wages, goods, services and taxes. The Magadan region remains an important area of operations for Kinross, even after the Company divested its assets there (the Kubaka and Julietta mines) in 2008. Not only are 80% of our Kupol employees residents of the Magadan region, but the doré from Kupol amounts to more than 85% of the total material that is processed by the Kolyma Refinery, a centrepiece of the Magadan regional economy.



Mining has been and continues to be a cornerstone of the economy in northeastern Russia, and the economic benefits generated by Kupol support that tradition. Looking to the future, Kinross and the Chukotka government are working together to develop mining-related professionals in Chukotka through education and training initiatives. Under a licence obtained in 2008 from the Department of Education in Chukotka, we have created training and education programs that build skills in mining and related industries. By the end of the year, Kinross had issued more than 700 certificates to 250 employees, including 12 indigenous residents of Chukotka, in 45 training programs. We know from our experience at Kubaka, which Kinross operated until January 2008, that our employees are in high demand at other mines throughout the Russian Federation.

Case Study

SUPPORTING COFFEE FARMERS IN ECUADOR

Kinross is committed to developing long-lasting benefits for the communities in which we operate. Kinross Aurelian Resources' partnership with APEOSAE, an association of coffee farmers in the province of Zamora-Chinchipe, including members who live near our Fruta del Norte project in south-eastern Ecuador, is one such example.

Since 2009, we have provided micro-loans, seed capital, technical assistance and infrastructure support to approximately 412 APEOSAE members and approximately 500 coffee farmers who produce organic and fair-trade coffee. APEOSAE is also receiving funding support from the Ecuadorian government through the Ministry for Social and Economic Inclusion.

In 2009, the association's production doubled to nearly 250,000 pounds as a result of export to new markets in the European Union. The increased return on investment, supported by the production of premium brands and the fair-trade mechanism, has raised the farmers' standard of living and quality of life. "We have seen that this works," says one APEOSAE member. "It will



help us leave a legacy for our children." Going forward, the association hopes to expand its production to include Rainforest Alliance coffee and its export markets to include Japan.

MEASURING OUR BENEFIT FOOTPRINT

Mining creates wealth in the communities where we operate. At a global level and by country, this is captured in our reporting of economic value generated, distributed and retained.

Locally, beginning in 2010, Kinross sites will take this evaluation to another level by tracking what we refer to as the "benefit footprint." This benefit footprint is a measure of the extent to which our operations contribute positively to the sustainability of local communities.

Measuring the benefit footprint begins with a geographic breakdown of our spending at the local, regional, national and international levels. This is then coupled with an assessment of the extent to which that spending is leveraged into long-term socio-economic development. Ultimately, we hope to see non-mining exports from the community increase over the life of the mine. Understanding our benefit footprint at each of our sites will better inform our strategies for community engagement, community investment, public-private partnerships and capacity-building.

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CORPORATE DONATIONS AND SPONSORSHIPS

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

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

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



CORPORATE DONATION HIGHLIGHTS

Kinross donated to over 100 charitable causes in 2009. In addition to the community investments and partnerships at the operations level, outlined in the In the Community section of this report, our corporate donation highlights for 2008 and 2009 include:

- Committed CDN \$500,000 over five years to support the Kinross Professorship in Mining and Sustainability in partnership with the Department of Mining Engineering at Queen's University in Kingston, Ontario, Canada;

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The FORRÉ Network is an innovative research partnership between Kinross, the University of Guelph in Ontario, Canada, and universities and institutions in Brazil. Aimed at discovering new approaches to environmental sustainability and resource management, the FORRÉ Network provides opportunities for students, professors, researchers and the resource sector to work together towards a common goal. Various research initiatives, centred on sustainability in the resource sector, are supported by the network. Current examples of FORRÉ research projects and studies underway include:

- Predicting the effects of biodiversity losses due to global change in natural grasslands and forests;
- Predicting invasion of grassland and forests by exotic species;
- Best practices in community engagement in the Canadian and Brazilian mining sector; and
- Modelling natural forest expansion over grassland.

The FORRÉ Network's emphasis on multi-institutional and multi-disciplinary research creates rich learning opportunities for students and builds cooperative relationships among institutions.



- Donated CDN \$100,000 to Zerofootprint to support school nutrition programs in the Democratic Republic of the Congo;
- Provided financial support to the Daytrippers program for the sixth consecutive year, sending approximately 5,000 lower-income elementary children on environment-based educational school trips they otherwise would never have experienced; and
- Donated CDN \$240,000 to the Duke of Edinburgh's Award program, including \$50,000 as a founding partner. The program encourages youth to be active, to participate in new activities and pursue current interests in the areas of community service, personal skills development, physical recreation and adventurous journey.

In early 2010, in response to the earthquake in Chile, Kinross committed to provide CDN \$705,000 in humanitarian relief initiatives. To learn more, see [Chile Earthquake Response](#).