



TSX: K NYSE: KGC

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FIRST QUARTER REPORT

Kinross reports 2014 first-quarter results

All-in sustaining cost down year-over-year
Production cost of sales continues to decline at Tasiast, Chirano and Maricunga

Toronto, Ontario – May 7, 2014 – Kinross Gold Corporation (TSX: K, NYSE: KGC) today announced its results for the first quarter ended March 31, 2014.

(This report contains forward-looking information about expected future events and financial and operating performance of the Company. We refer to the risks and assumptions set out in our Cautionary Statement on Forward-Looking Information located on page 45 of this report. All dollar amounts are expressed in U.S. dollars, unless otherwise noted.)

Highlights:

- **Production¹:** 664,690 gold equivalent ounces (Au eq. oz.), compared with 648,897 ounces in Q1 2013.
- **Revenue:** \$817.4 million, compared with \$1,058.1 million in Q1 2013.
- **Production cost of sales²:** \$727 per Au eq. oz., compared with \$729 in Q1 2013.
- **All-in sustaining cost²:** \$1,001 per Au eq. oz. sold, compared with \$1,030 in Q1 2013.
- **Adjusted operating cash flow²:** \$239.0 million, or \$0.21 per share, compared with \$413.7 million, or \$0.36 per share, in Q1 2013.
- **Adjusted net earnings^{2,3}:** \$34.1 million, or \$0.03 per share, compared with adjusted earnings of \$172.4 million, or \$0.15 per share, in Q1 2013.
- **Reported net earnings³:** \$31.8 million, or \$0.03 per share, compared with net earnings of \$162.4 million, or \$0.14 per share, in Q1 2013.
- **Average realized gold price:** \$1,299 per Au oz., compared with \$1,624 per Au oz. in Q1 2013.
- **Outlook:** Kinross expects to be within its 2014 forecast guidance for production (2.5-2.7 million Au eq. oz.), production cost of sales (\$730-780 per Au eq. oz. sold), all-in sustaining cost (\$950-1,050 per Au eq. oz. sold), and total capital expenditures (\$675 million).

CEO Commentary

J. Paul Rollinson, CEO, made the following comments in relation to 2014 first-quarter results:

“Kinross had another quarter of solid performance, with an increase in production year-over-year as our new Dvoynoye mine came fully on stream, and a decline in all-in sustaining cost as a result of capital and operating cost reduction efforts across the Company.

“While lower gold prices affected earnings, Kinross is making steady progress to reduce costs. Capital expenditures for the quarter were approximately half of what they were a year ago, while our all-in sustaining cost continued to decline. In addition, we’ve been able to reduce production cost of sales on a per ounce basis by 16% at Chirano, 14% at Maricunga, and 9% at Tasiast compared with Q4 2013.

¹ Unless otherwise stated, production figures in this report are based on Kinross’ 90% share of Chirano production.

² These figures are non-GAAP financial measures and are defined and reconciled on pages 38 to 44 of this report.

³ Net earnings figures in this report represent “net earnings from continuing operations attributable to common shareholders”.

With these improvements, and strong performance from our other sites, Kinross is on track to meet its guidance for the year. In short, we continue to deliver on our strategy, which is focused on capital discipline, operational excellence, quality over quantity and balance sheet strength.

“We released the Tasiast feasibility study on schedule during the quarter. With a significant reduction in forecast capital costs compared with earlier project estimates, and expected production cost of sales of approximately \$500 per ounce for the first five years of production, the study shows that an expanded Tasiast has the potential to be among our lowest cost operations, a significant contributor of new production and cash flow, and a cornerstone of our future portfolio.”

Financial results

Summary of financial and operating results

	Three months ended	
	March 31,	
(in millions, except ounces, per share amounts, and per ounce amounts)	2014	2013
Operating Highlights from Continuing Operations^(a)		
Total gold equivalent ounces ^(a)		
Produced ^(c)	672,180	655,610
Sold ^(c)	628,637	652,197
Attributable gold equivalent ounces ^(a)		
Produced ^(c)	664,690	648,897
Sold ^(c)	621,531	645,252
Financial Highlights from Continuing Operations^(a)		
Metal sales	\$ 817.4	\$ 1,058.1
Production cost of sales	\$ 456.0	\$ 475.7
Depreciation, depletion and amortization	\$ 196.4	\$ 227.7
Operating earnings	\$ 81.4	\$ 252.7
Net earnings attributable to common shareholders	\$ 31.8	\$ 162.4
Basic earnings per share attributable to common shareholders	\$ 0.03	\$ 0.14
Diluted earnings per share attributable to common shareholders	\$ 0.03	\$ 0.14
Adjusted net earnings attributable to common shareholders ^(b)	\$ 34.1	\$ 172.4
Adjusted net earnings per share ^(b)	\$ 0.03	\$ 0.15
Net cash flow provided from operating activities	\$ 210.5	\$ 365.3
Adjusted operating cash flow ^(b)	\$ 239.0	\$ 413.7
Adjusted operating cash flow per share ^(b)	\$ 0.21	\$ 0.36
Average realized gold price per ounce	\$ 1,299	\$ 1,624
Consolidated production cost of sales per equivalent ounce ^(c) sold ^(b)	\$ 725	\$ 729
Attributable ^(a) production cost of sales per equivalent ounce ^(c) sold ^(b)	\$ 727	\$ 729
Attributable ^(a) production cost of sales per ounce sold on a by-product basis ^(b)	\$ 708	\$ 674
Attributable ^(a) all-in sustaining cost per ounce sold on a by-product basis ^(b)	\$ 991	\$ 994
Attributable ^(a) all-in sustaining cost per equivalent ounce ^(c) sold ^(b)	\$ 1,001	\$ 1,030
Attributable ^(a) all-in cost per ounce sold on a by-product basis ^(b)	\$ 1,103	\$ 1,315
Attributable ^(a) all-in cost per equivalent ounce ^(c) sold ^(b)	\$ 1,110	\$ 1,333
<small>(a) "Total" includes 100% of Chirano production. "Attributable" includes Kinross' share of Chirano (90% production). (b) The definition and reconciliation of these non-GAAP financial measures is included on pages eight to 12 of this news release. (c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the first quarter of 2014 was 63.15:1, compared with 54.19:1 for the first quarter of 2013. (d) On June 10, 2013, the Company announced its decision to cease development of Fruta del Norte ("FDN"). As a result, the comparative figures have been recast to exclude the results of FDN.</small>		

The following operating and financial results are based on first-quarter 2014 gold equivalent production from continuing operations. Production and cost measures are on an attributable basis:

Production: Kinross produced 664,690 attributable Au eq. oz. in the first quarter of 2014, an increase over the first quarter of 2013, mainly due to the processing of higher grade ore from Dvoinoye, which completed its first quarter at full production.

Production cost of sales: Production cost of sales per Au eq. oz.² was \$727 for the first quarter of 2014, compared with \$729 for the first quarter of 2013. Production cost of sales per Au oz. on a by-product basis² was \$708 in Q1 2014, compared with \$674 in Q1 2013, based on Q1 2014 attributable gold sales of 603,073 ounces and attributable silver sales of 1,165,667 ounces.

All-in sustaining cost: All-in sustaining cost per Au eq. oz. sold² decreased to \$1,001 in Q1 2014, compared with \$1,030 in Q1 2013, primarily due to decreases in sustaining capital and exploration and business development expenditures.

All-in sustaining cost per Au oz. sold on a by-product basis² was \$991 in Q1 2014, compared with \$994 in Q1 2013.

Revenue: Revenue from metal sales was \$817.4 million in the first quarter of 2014, compared with \$1,058.1 million during the same period in 2013. The decrease was mainly due to the lower average realized gold price for the quarter.

Average realized gold price: The average realized gold price was \$1,299 per ounce in Q1 2014, compared with \$1,624 per ounce in Q1 2013. During the first quarter of 2014, the average price of gold was \$1,293 per ounce, with gold trading between \$1,221 and \$1,385 per ounce based on the London PM Fix gold price.

Margins: Kinross' attributable margin per Au eq. oz. sold⁴ was \$572 for the first quarter of 2014, compared with the Q1 2013 margin of \$895 per Au eq. oz. sold.

Operating cash flow: Adjusted operating cash flow² was \$239.0 million for the first quarter of 2014, or \$0.21 per share, compared with \$413.7 million, or \$0.36 per share, for Q1 2013.

Earnings: Adjusted net earnings^{2,3} were \$34.1 million, or \$0.03 per share, for Q1 2014, compared with adjusted earnings of \$172.4 million, or \$0.15 per share, for Q1 2013, mainly due to a lower average realized gold price.

Reported net earnings³ were \$31.8 million, or \$0.03 per share, for Q1 2014, compared with earnings of \$162.4 million, or \$0.14 per share, in Q1 2013.

Capital expenditures: Capital expenditures decreased to \$168.9 million for Q1 2014, compared with \$309.5 million for the same period last year, mainly due to lower spending at Tasiast.

Operating results

Mine-by-mine summaries for first-quarter 2014 operating results may be found on pages six and seven of this report. Highlights include the following:

Americas

Performance was strong in the first quarter, as the region remains on track to meet both production and production cost of sales forecasts for the year. At **Round Mountain**, improved mill performance increased overall production relative to the prior year and the previous quarter. At **Kettle-River Buckhorn**, production was lower compared with the previous quarter due to anticipated lower grades.

⁴ Attributable margin per equivalent ounce sold is a non-GAAP measure defined as "average realized gold price per ounce" less "attributable production cost of sales per gold equivalent ounce sold."

Fort Knox production declined compared with Q1 2013 primarily due to lower grades. While overall cost performance was in line with the previous quarter, the Company expects higher production cost of sales at Fort Knox over the next three quarters, as the operation enters a phase of the mine that has more operating waste.

At **Paracatu**, production was in line with the previous quarter, despite lower recoveries and grades primarily resulting from variability in the ore processed through Plant 1. Results improved at **Maricunga**, with higher production and lower costs compared with the previous quarter due to higher grades, improved productivity in the mobile fleet and ADR and crushing plants, enhanced leach pad management, and a more efficient solutions management schedule. Production cost of sales declined 14% compared with Q4 2013, from \$1,217 per ounce to \$1,049 per ounce, due to reduced reagent costs, operating efficiencies previously mentioned and increased production. Maricunga's production cost of sales has seen a consistent improvement and is now below Q1 2013 levels.

Russia

First quarter production at the combined operation surpassed prior year and previous quarter results, due mainly to the impact of processing higher grade **Dvoinoye** ore in the expanded mill at **Kupol**. Approximately 83,000 Au eq. oz. were produced from processing Dvoinoye ore in Q1 2014, the first quarter of full production at the mine, compared with 24,000 Au eq. oz in Q4 2013. Gold grades at the combined operation increased by 31% compared with Q1 2013 due to the processing of higher grade ore from Dvoinoye, partially offset by the planned decline in grades at Kupol. Production cost of sales per ounce remained in line with previous quarters.

West Africa

Performance was strong during the first quarter, as the region is on target to meet both production and production cost of sales guidance for the year. **Tasiast** achieved record quarterly production in the first quarter, primarily due to higher grades and mill throughput. Production cost of sales per ounce decreased 9% compared with Q4 2013 due to continuous improvement programs, including a new truck shop, which increased maintenance efficiencies, and a new, lower cost power plant, which replaced multiple, high-cost generators. At **Chirano**, the move to self-perform was a main driver behind a 16% reduction in production cost of sales, from \$733 per ounce in Q4 2013 to \$616 per ounce in Q1 2014. Chirano's production cost of sales has decreased steadily over the last four quarters. Chirano is expected to reduce production in Q2 2014 due to repairs at the mill which are scheduled to be completed early in the third quarter.

Tasiast expansion project

On March 31, 2014, the Company announced the results of its feasibility study for its Tasiast expansion project. The study, based on an optimal mill size of 38,000 tonnes per day and a \$1,350 per ounce gold price assumption, produced promising results that indicate the potential to significantly increase cash flow per share, enhance the Company's production profile, and lower costs.

While a final construction decision on the expansion project is not expected to be made until 2015 at the earliest, a number of activities are being pursued to further enhance the viability of the expansion plan. These include: exploring opportunities to further reduce capital and operating costs; measures to reduce execution variability in supply chain, logistics, contracting and labour in the construction phase of a potential expansion project; solidifying investment conditions in Mauritania; and continuing to explore additional mineral resource potential within the mine's footprint, and along the 80 kilometre Tasiast trend. The Company has also initiated project financing discussions with core lender groups.

Liquidity

On March 6, 2014, the Company completed a \$500 million unsecured debt offering. The Senior Notes have a coupon of 5.95% and are due in 2024. On March 10, 2014 Kinross used the net proceeds raised from the debt offering to repay \$500 million of its term loan, thereby reducing the Company's 2017 debt maturities by 50%. By extending \$500 million of debt maturities to 2024, and reducing near-term debt repayment obligations, the Company has greater financial flexibility and is able to better align its balance sheet with the life cycle of assets. The Company has no material debt maturities prior to 2016.

Cash and cash equivalents and short-term investments were \$704.0 million as at March 31, 2014, compared with \$734.5 million as at December 31, 2013, mainly due to debt repayment and capital expenditures, offset by operating cash flows.

Outlook

The following section of this report represents forward-looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in the Cautionary Statement on Forward-Looking Information on page 45 of this report.

As previously announced on February 12, 2014, Kinross expects to produce approximately 2.5-2.7 million gold equivalent ounces for the year.

The Company expects to be within its regional production cost of sales guidance and meet its company-wide production cost of sales guidance range of \$730-\$780 per gold equivalent ounce and its all-in sustaining costs guidance range of \$950-\$1,050 per gold ounce sold in 2014. The Company also expects to meet its 2014 capital expenditure forecast of approximately \$675 million.

Review of Operations

Three months ended March 31,	Gold equivalent ounces							
	Produced		Sold		Production cost of sales (\$ millions)		Production cost of sales/oz	
	2014	2013	2014	2013	2014	2013	2014	2013
Fort Knox	83,588	93,252	112,711	118,034	\$ 64.2	\$ 65.9	\$ 570	\$ 558
Round Mountain	45,054	39,421	41,390	38,796	37.3	31.2	901	804
Kettle River - Buckhorn	25,917	39,870	25,829	39,673	16.4	20.3	635	512
Paracatu	127,085	119,891	115,776	122,028	100.1	101.4	865	831
La Coipa	-	53,729	1,344	57,242	1.6	40.3	1,190	704
Maricunga	52,729	55,062	55,857	54,791	58.6	59.8	1,049	1,091
Americas Total	334,373	401,225	352,907	430,564	278.2	318.9	788	741
Kupol	191,238	124,498	138,286	83,799	66.5	45.9	481	548
Russia Total	191,238	124,498	138,286	83,799	66.5	45.9	481	548
Tasiast	71,671	62,757	66,386	68,381	67.5	60.2	1,017	880
Chirano (100%)	74,898	67,130	71,058	69,453	43.8	50.7	616	730
West Africa Total	146,569	129,887	137,444	137,834	111.3	110.9	810	805
Operations Total	672,180	655,610	628,637	652,197	456.0	475.7	725	729
Less Chirano non-controlling interest (10%)	(7,490)	(6,713)	(7,106)	(6,945)	(4.4)	(5.1)		
Attributable Total	664,690	648,897	621,531	645,252	\$ 451.6	\$ 470.6	\$ 727	\$ 729

Operating Summary

Mine	Period	Ownership (%)	Tonnes Ore Mined ⁽¹⁾ ('000 tonnes)	Ore Processed (Million) ⁽¹⁾ ('000 tonnes)	Ore Processed (Heap Leach) ⁽¹⁾ ('000 tonnes)	Grade (Mill) (g/t)	Grade (Heap Leach) (g/t)	Recovery ⁽²⁾ (%)	Gold Eq. Production ⁽³⁾ (ounces)	Gold Eq. Sales ⁽⁴⁾ (ounces)	Production cost of sales (\$ millions)	Production cost of sales/oz (\$/ounce)	Cap. Ex. ⁽⁵⁾ (\$ millions)	DD&A (\$ millions)
Fort Knox	Q1 2014	100	3,655	3,307	2,790	0.66	0.27	84%	83,588	112,711	64.2	570	29.7	28.5
	Q4 2013	100	4,659	3,169	8,624	0.86	0.28	84%	103,612	79,236	47.3	597	28.8	21.2
	Q3 2013	100	4,566	3,374	10,330	0.76	0.28	84%	122,037	119,835	66.5	555	29.2	30.0
	Q2 2013	100	5,048	3,231	10,261	0.80	0.30	84%	102,740	98,998	56.9	575	27.9	25.3
Round Mountain	Q1 2013	100	7,381	2,894	536	0.88	0.25	84%	118,034	118,034	65.9	558	27.9	27.2
	Q1 2014	50	6,670	910	5,466	1.02	0.32	82%	45,054	41,390	37.3	821	6.6	4.8
	Q4 2013	50	5,130	1,025	4,128	0.86	0.36	58%	40,316	39,963	36.6	916	23.9	5.4
	Q3 2013	50	3,974	982	3,090	0.67	0.33	66%	42,073	40,042	32.5	812	15.7	2.8
Kettle River-Buchhorn	Q2 2013	50	4,070	888	4,068	0.56	0.34	66%	41,016	43,035	61.3	350	13.5	9.3
	Q1 2013	50	6,474	938	6,468	0.64	0.38	75%	39,796	38,796	31.2	804	10.0	4.9
	Q1 2014	100	97	102	10,933	-	-	92%	25,917	25,829	16.4	16.4	1.6	9.7
	Q4 2013	100	91	86	13,110	0.35	-	69%	127,085	115,776	100.1	865	16.8	33.9
Paracatu	Q3 2013	100	14,024	13,874	0.37	0.37	76%	124,684	127,348	113.5	891	70.1	30.2	30.2
	Q2 2013	100	14,600	14,306	0.39	0.39	76%	135,546	140,333	108.1	770	39.9	27.6	27.6
	Q1 2013	100	13,836	13,451	0.37	0.37	75%	118,243	118,243	101.9	862	25.7	26.3	26.3
	Q1 2014	100	13,971	14,068	0.37	0.37	75%	119,891	122,028	101.4	831	14.4	26.1	26.1
La Colpa ⁽³⁾	Q4 2013	100	107	421	0.93	0.93	72%	16,737	25,392	31.6	1,244	6.2	18.9	18.9
	Q3 2013	100	577	1,373	0.80	0.80	86%	43,702	45,340	34.3	757	1.1	25.7	25.7
	Q2 2013	100	584	1,331	0.93	0.93	88%	48,237	46,574	36.0	773	2.2	29.5	29.5
	Q1 2013	100	990	1,400	0.97	0.97	84%	53,729	57,242	40.3	704	1.5	36.8	36.8
Maricunga	Q1 2014	100	4,491	15,047	3,860	0.74	0.74	nm	52,729	55,857	56.6	1,049.0	9.4	4.6
	Q4 2013	100	5,780	4,107	4,107	0.68	0.68	nm	45,395	44,783	54.5	1,217	26.0	14.9
	Q3 2013	100	4,197	3,431	3,431	0.63	0.63	nm	38,126	37,800	51.7	1,368	5.3	11.7
	Q2 2013	100	3,807	3,659	3,659	0.53	0.53	nm	49,032	55,163	58.3	1,075	10.2	11.0
Kupol ⁽⁴⁾⁽⁶⁾⁽⁷⁾	Q1 2013	100	4,452	3,861	3,861	0.57	0.57	nm	55,062	54,791	59.8	1,091	16.3	32.3
	Q1 2014	100	440	409	409	13.81	-	94%	191,238	182,286	66.5	481	39.5	56.4
	Q4 2013	100	457	424	11,355	-	-	92%	153,329	200,141	95.6	475	29.2	39.2
	Q3 2013	100	379	377	11,337	-	-	94%	150,433	120,865	62.2	515	30.0	20.7
Taslast	Q2 2013	100	318	306	11,116	-	-	94%	121,728	184,627	84.9	516	20.7	27.9
	Q1 2013	100	338	328	10,571	-	-	93%	124,098	83,799	45.9	548	14.9	14.9
	Q1 2014	100	7,333	659	2,289	2.15	0.63	88%	71,671	66,386	67.5	1,017	51.3	15.9
	Q4 2013	100	9,189	636	3,197	2.21	0.56	92%	62,963	64,629	72.5	1,122	105.6	20.4
Chirano - 100%	Q3 2013	100	6,218	577	3,197	1.83	0.46	93%	51,051	49,455	57.4	1,161	161.8	11.7
	Q2 2013	100	5,314	652	3,838	2.03	0.29	92%	71,047	62,489	66.6	1,066	186.2	28.4
	Q1 2013	100	6,194	639	4,154	1.87	0.35	91%	62,757	68,381	60.2	880	155.6	33.3
	Q1 2014	90	902	817	3,061	-	-	92%	74,898	71,058	43.8	616	10.7	40.5
Chirano - 90%	Q4 2013	90	970	861	2,951	-	-	94%	75,717	78,812	57.8	733	29.2	41.4
	Q3 2013	90	985	829	2,651	-	-	95%	70,010	69,509	53.1	764	11.6	37.2
	Q2 2013	90	826	854	2,501	-	-	94%	62,545	60,397	50.1	830	27.2	31.7
	Q1 2013	90	1,005	816	2,731	-	-	93%	67,130	69,453	50.7	730	28.1	33.8
Chirano - 90%	Q1 2014	90	902	817	3,061	-	-	92%	67,408	63,952	39.4	616	9.6	36.5
	Q4 2013	90	970	861	2,951	-	-	94%	68,146	70,931	52.0	733	26.3	37.3
	Q3 2013	90	985	829	2,651	-	-	95%	63,009	62,558	47.8	764	10.4	33.5
	Q2 2013	90	826	854	2,501	-	-	94%	56,290	54,357	45.1	830	24.5	26.5
Q1 2013	90	1,005	816	2,731	-	-	93%	60,417	62,508	45.6	730	25.3	30.4	

(1) Ore processed is to 100% production and costs are to Kinross' account.

(2) Due to the nature of heap leach operations, recovery rates at Maricunga cannot be accurately measured on a quarterly basis. Recovery rates at Fort Knox, Round Mountain and Taslast represent mill recovery only.

(3) La Colpa silver grade and recovery were as follows: Q1 (2014) nil, nil; Q4 (2013) 34.94 g/t, 59% Q3 (2013) 32.03 g/t, 60% Q2 (2013) 32.45 g/t, 61% Q1 (2013) 35.61 g/t, 58%.

(4) The Kupol segment includes the Kupol and Dvoynoye mines.

(5) Kupol silver grade and recovery were as follows: Q1 (2014) 106.4 g/t, 84% Q4 (2013) 131.91 g/t, 92% Q3 (2013) 136.33 g/t, 86% Q2 (2013) 139.03 g/t, 83% Q1 (2013) 128.44 g/t, 85%.

(6) Gold equivalent ounces include silver ounces produced and sold converted to a gold equivalent based on the ratio of the average spot market prices for the commodities for each period. The ratios for the quarters presented are as follows: Q1 2014: 63.16:1, Q2 2013: 61.4:1, Q3 2013: 54.46:1, Q4 2013: 61.4:1.

(7) Dvoynoye ore processed and grade were as follows: Q1 (2014) 106,000 tonnes, 30.5 g/t; Q4 (2013) 26,743 tonnes, 28.46 g/t; Q3 (2013) 13,000 tonnes, 30.03 g/t; Q2 (2013) nil, nil; Q1 (2013) nil, nil.

(8) Capital expenditures are presented on a cash basis, consistent with the statement of cash flows.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

This management's discussion and analysis ("MD&A"), prepared as of May 7, 2014, relates to the financial condition and results of operations of Kinross Gold Corporation together with its wholly owned subsidiaries, as of March 31, 2014 and for the three months then ended, and is intended to supplement and complement Kinross Gold Corporation's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2014 and the notes thereto (the "interim financial statements"). Readers are cautioned that the MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on Forward Looking Information included with this MD&A and to consult Kinross Gold Corporation's annual audited consolidated financial statements for 2013 and corresponding notes to the financial statements which are available on the Company's web site at www.kinross.com and on www.sedar.com. The interim financial statements and MD&A are presented in U.S. dollars. The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as at and for the three months ended March 31, 2014, 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 interim 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/or one or more or all of its subsidiaries, as it may apply. Where we refer to the "industry", we mean the gold mining industry.

1. DESCRIPTION OF THE BUSINESS

Kinross is engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, the extraction and processing of gold-containing ore, and reclamation of gold mining properties. Kinross' gold production and exploration activities are carried out principally in Canada, the United States, the Russian Federation, Brazil, Chile, Ghana and Mauritania. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells silver.

The profitability and operating cash flow of Kinross are 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, the level of exploration activity and capital expenditures, general and administrative costs, and other discretionary costs and activities. Kinross is also exposed to fluctuations in currency exchange rates, political risks, and varying levels of taxation that can impact profitability and cash flow. Kinross seeks to manage the risks associated with its business operations; however, many of the factors affecting these risks are beyond the Company's control.

Commodity prices continue to be volatile as economies around the world continue to experience economic challenges. Volatility in the price of gold and silver impacts the Company's revenue, while volatility in the price of input costs, such as oil, and foreign exchange rates, particularly the Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi, and Canadian dollar, may have an impact on the Company's operating costs and capital expenditures.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Consolidated Financial and Operating Highlights

<i>(in millions, except ounces, per share amounts and per ounce amounts)</i>	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Highlights from Continuing Operations ^(d)				
Total gold equivalent ounces ^(a)				
Produced ^(c)	672,180	655,610	16,570	3%
Sold ^(c)	628,637	652,197	(23,560)	(4%)
Attributable gold equivalent ounces ^(a)				
Produced ^(c)	664,690	648,897	15,793	2%
Sold ^(c)	621,531	645,252	(23,721)	(4%)
Financial Highlights from Continuing Operations ^(d)				
Metal sales	\$ 817.4	\$ 1,058.1	\$ (240.7)	(23%)
Production cost of sales	\$ 456.0	\$ 475.7	\$ (19.7)	(4%)
Depreciation, depletion and amortization	\$ 196.4	\$ 227.7	\$ (31.3)	(14%)
Operating earnings	\$ 81.4	\$ 252.7	\$ (171.3)	(68%)
Net earnings attributable to common shareholders	\$ 31.8	\$ 162.4	\$ (130.6)	(80%)
Basic earnings per share attributable to common shareholders	\$ 0.03	\$ 0.14	\$ (0.11)	(79%)
Diluted earnings per share attributable to common shareholders	\$ 0.03	\$ 0.14	\$ (0.11)	(79%)
Adjusted net earnings attributable to common shareholders ^(b)	\$ 34.1	\$ 172.4	\$ (138.3)	(80%)
Adjusted net earnings per share ^(b)	\$ 0.03	\$ 0.15	\$ (0.12)	(80%)
Net cash flow provided from operating activities	\$ 210.5	\$ 365.3	\$ (154.8)	(42%)
Adjusted operating cash flow ^(b)	\$ 239.0	\$ 413.7	\$ (174.7)	(42%)
Capital expenditures	\$ 168.9	\$ 309.5	\$ (140.6)	(45%)
Average realized gold price per ounce	\$ 1,299	\$ 1,624	\$ (325)	(20%)
Consolidated production cost of sales per equivalent ounce ^(c) sold ^(b)	\$ 725	\$ 729	\$ (4)	(1%)
Attributable ^(a) production cost of sales per equivalent ounce ^(c) sold ^(b)	\$ 727	\$ 729	\$ (2)	(0%)
Attributable ^(a) production cost of sales per ounce sold on a by-product basis ^(b)	\$ 708	\$ 674	\$ 34	5%
Attributable ^(a) all-in sustaining cost per ounce sold on a by-product basis ^(b)	\$ 991	\$ 994	\$ (3)	(0%)
Attributable ^(a) all-in sustaining cost per equivalent ounce ^(c) sold ^(b)	\$ 1,001	\$ 1,030	\$ (29)	(3%)
Attributable ^(a) all-in cost per ounce sold on a by-product basis ^(b)	\$ 1,103	\$ 1,315	\$ (212)	(16%)
Attributable ^(a) all-in cost per equivalent ounce ^(c) sold ^(b)	\$ 1,110	\$ 1,333	\$ (223)	(17%)

(a) Total includes 100% of Chirano production. "Attributable" includes Kinross' share of Chirano (90%) production.

(b) The definition and reconciliation of these non-GAAP financial measures is included in Section 11 of this document.

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the first quarter of 2014 was 63.15:1 (first quarter of 2013 - 54.19:1).

(d) On June 10, 2013, the Company announced its decision to cease development of Fruta del Norte ("FDN"). As a result, the comparative figures have been recast to exclude the results of FDN.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Consolidated Financial Performance

First quarter 2014 vs. First quarter 2013

Kinross' attributable production in the first quarter of 2014 increased slightly compared with the same period in 2013, primarily due to an increase in production from the Kupol segment as a result of processing higher grade ore from Dvoynoye, partially offset by a decrease in production as a result of the suspension of mining at La Coipa in October 2013.

Metal sales decreased to \$817.4 million in the first quarter of 2014 from \$1,058.1 million in the first quarter of 2013, primarily due to a decrease in the metal prices realized. The average gold price realized decreased to \$1,299 per ounce in the first quarter of 2014 from \$1,624 per ounce in the first quarter of 2013.

During the first quarter of 2014, production cost of sales decreased to \$456.0 million from \$475.7 million in the first quarter of 2013, primarily due to a decrease in gold equivalent ounces sold as a result of the suspension of mining at La Coipa, partially offset by an increase in gold equivalent ounces sold from the Kupol segment as a result of Dvoynoye commencing commercial production in October 2013.

Depreciation, depletion and amortization decreased by 14% in the first quarter of 2014 compared with the first quarter of 2013, primarily due to the suspension of mining at La Coipa and a decrease in the depreciable asset base at Maricunga and Tasiast. These decreases were partially offset by increases in the depreciable asset base and gold equivalent ounces sold from the Kupol segment as a result of Dvoynoye commencing commercial production.

Operating earnings were \$81.4 million in the first quarter of 2014 compared with \$252.7 million in the same period of 2013. The change was primarily due to the decrease in metal sales, partially offset by lower production cost of sales and depreciation, depletion and amortization.

Net earnings from continuing operations attributable to common shareholders in the first quarter of 2014 were \$31.8 million, or \$0.03 per share, compared with \$162.4 million, or \$0.14 per share, in the same period of 2013. The decrease in net earnings from continuing operations attributable to common shareholders was primarily a result of the decrease in operating earnings described above, partially offset by a decrease in income tax expense.

During the first quarter of 2014, income tax expense was \$31.1 million compared with \$72.8 million for the same period in 2013. Excluding the impact of items that are not reflective of the underlying operating performance of our business, such as foreign exchange translation, the Company's adjusted effective tax rate for the first quarter of 2014 was 54.3%, compared with an adjusted effective tax rate of 30.5% for the first quarter of 2013. The increase in the Company's adjusted effective tax rate for the first quarter of 2014, compared with the same period in 2013, was largely due to differences in the level of income in the Company's operating jurisdictions from one period to the next.

Adjusted net earnings attributable to common shareholders decreased to \$34.1 million, or \$0.03 per share, for the first quarter of 2014 compared with \$172.4 million, or \$0.15 per share, for the same period in 2013. The decrease in adjusted net earnings attributable to common shareholders was mainly due to the lower operating earnings as described above.

Net cash flow of continuing operations provided from operating activities decreased to \$210.5 million in the first quarter of 2014 compared with \$365.3 million in the first quarter of 2013, primarily due to the decrease in metal sales.

Adjusted operating cash flow decreased to \$239.0 million in the first quarter of 2014 from \$413.7 million in the first quarter of 2013, largely due to the decrease in metal sales.

During the first quarter of 2014, capital expenditures from continuing operations decreased to \$168.9 million compared with \$309.5 million in the same period of 2013, primarily due to reduced spending at Tasiast, Fort Knox and Chirano.

Attributable production cost of sales per equivalent ounce sold decreased slightly to \$727 in the first quarter of 2014 from \$729 in the first quarter of 2013 due to a decrease in production cost of sales, largely offset by a decrease in attributable gold equivalent ounces sold.

Attributable all-in sustaining cost per ounce sold on a by-product basis and attributable all-in sustaining cost per equivalent ounce sold decreased in the first quarter of 2014 compared with the first quarter of 2013, primarily due to decreases in sustaining capital and exploration and business development expenditures, partially offset by a decrease in attributable ounces sold.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

2. IMPACT OF KEY ECONOMIC TRENDS

Kinross' 2013 annual MD&A contains a discussion of key economic trends that affect the Company and its financial statements. Included in this MD&A is an update reflecting significant changes since the preparation of the 2013 annual MD&A.

Price of Gold

The price of gold is the largest single factor in determining profitability and cash flow from operations, therefore, the financial performance of the Company has been, and is expected to continue to be, closely linked to the price of gold. During the first quarter of 2014, the average price of gold was \$1,293 per ounce, with gold trading between \$1,221 and \$1,385 per ounce based on the London PM Fix gold price. This compares to an average of \$1,632 per ounce during the first quarter of 2013, with a low of \$1,574 and a high of \$1,694 per ounce. During the first quarter of 2014, Kinross realized an average price of \$1,299 per ounce compared with \$1,624 for the corresponding period in 2013.

During the first quarter of 2014, the gold price generally rose. Major influences included more positive positioning by market participants in the futures markets, weak ETF redemptions, reaction to the Ukraine-Russia crisis, as well as expectations that the U.S. economy may not recover as quickly as expected.

Cost Pressures

The Company's profitability is subject to industry wide cost pressures on development and operating costs with respect to labour, energy, capital expenditures and consumables in general. Since mining is generally an energy intensive activity, especially in open pit mining, energy prices can have a significant impact on operations. In order to mitigate the impact of higher consumable prices, the Company focuses on continuous improvement, both by promoting more efficient use of materials and supplies, and by pursuing more advantageous pricing, whilst increasing performance and without compromising operational integrity. Kinross manages its exposure to energy costs by entering, from time to time, into various hedge positions – refer to Section 6 *Liquidity and Capital Resources* for details.

Currency Fluctuations

At the Company's non-U.S. mining operations and exploration activities, which are primarily located in Brazil, Chile, Ghana, Mauritania, the Russian Federation, and Canada, a portion of operating costs and capital expenditures are denominated in their respective local currencies. Generally, as the U.S. dollar strengthens, these currencies weaken, and as the U.S. dollar weakens, these foreign currencies strengthen. During the first quarter of 2014, the U.S. dollar, on average, was stronger relative to the Russian rouble, Canadian dollar, Brazilian real, Chilean peso, Ghanaian cedi and Mauritanian ouguiya compared with the same period in 2013. As at March 31, 2014, the U.S. dollar was stronger compared to the December 31, 2013 spot exchange rates of the Russian rouble, Canadian dollar, Chilean peso, and Ghanaian cedi. In order to manage this risk, the Company uses currency hedges for certain foreign currency exposures – refer to Section 6 *Liquidity and Capital Resources* for details.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

3. OUTLOOK

The following section of this MD&A represents forward-looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in the Cautionary Statement on Forward-Looking Information on pages 38 - 39 of this MD&A.

Unless otherwise stated "attributable" production includes only Kinross' share of Chirano production (90%). Production cost of sales per attributable gold equivalent ounce is defined as production cost of sales as per the interim financial statements divided by the number of gold equivalent ounces sold, reduced for Chirano (10%) sales attributable to third parties.

Approximately 60%-70% of the Company's costs are denominated in U.S. dollars.

A 10% change in foreign exchange could result in an approximate \$12 impact in production cost of sales per ounce¹.

A \$10 per barrel change in the price of oil could result in an approximate \$3 impact on production cost of sales per ounce.

The impact on royalties of a \$100 change in the gold price could result in an approximate \$3 impact on production cost of sales per ounce.

Operational Outlook

As previously disclosed on February 12, 2014, Kinross expects to produce approximately 2.5 to 2.7 million gold equivalent ounces for the year. For 2014, the Company expects to be within its regional production cost of sales guidance and meet its company-wide production cost of sales range of \$730 to \$780 per gold equivalent ounce and its all-in sustaining cost range of \$950 to \$1,050 per gold equivalent ounce sold and per gold ounce sold on a by-product basis. The Company also expects to meet its 2014 capital expenditure forecast of approximately \$675 million.

¹ Refers to all of the currencies in the countries where the Company has mining operations, fluctuating simultaneously by 10% in the same direction, either appreciating or depreciating, taking into consideration the impact of hedging and the weighting of each currency within our consolidated cost structure.

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

4. PROJECT UPDATES AND NEW DEVELOPMENTS

Tasiast expansion project

On March 31, 2014, Kinross announced the results of its feasibility study for its Tasiast expansion project. The feasibility study, based on an optimal mill size of 38,000 tonnes per day and a \$1,350 per ounce gold price assumption, produced promising results that indicate the potential to enhance the Company's production profile and lower costs. While a final construction decision on the expansion project is not expected to be made until 2015 at the earliest, a number of activities are being pursued to further enhance the viability of the expansion plan. These include: exploring opportunities to further reduce capital and operating costs; measures to reduce execution variability in supply chain, logistics and contracting and labour in the construction phase of a potential expansion project; solidifying investment conditions in Mauritania; and continuing to explore additional mineral resource potential within the mine's footprint, and along the 80 kilometre Tasiast trend. The Company has also initiated project financing discussions with core lender groups.

Recent transactions

Completion of \$500.0 million unsecured debt offering

On March 6, 2014, Kinross completed a \$500.0 million offering of debt securities consisting of 5.950% senior notes due 2024. The notes are senior unsecured obligations of the Company. Kinross received net proceeds of \$492.9 million from the offering, after discount, payment of the commissions to the initial purchasers and expenses of the offering.

On March 10, 2014, the Company used the net proceeds raised from the above mentioned debt offering to repay \$500.0 million of the term loan.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

5. CONSOLIDATED RESULTS OF OPERATIONS

Operating Highlights

<i>(in millions, except ounces and per ounce amounts)</i>	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Statistics from Continuing Operations^(c)				
Total gold equivalent ounces ^(a)				
Produced ^(b)	672,180	655,610	16,570	3%
Sold ^(b)	628,637	652,197	(23,560)	(4%)
Attributable gold equivalent ounces ^(a)				
Produced ^(b)	664,690	648,897	15,793	2%
Sold ^(b)	621,531	645,252	(23,721)	(4%)
Gold ounces - sold	610,158	613,683	(3,525)	(1%)
Silver ounces - sold (000's)	1,167	2,087	(920)	(44%)
Average realized gold price per ounce	\$ 1,299	\$ 1,624	\$ (325)	(20%)
Financial Data from Continuing Operations^(c)				
Metal sales	\$ 817.4	\$ 1,058.1	\$ (240.7)	(23%)
Production cost of sales	\$ 456.0	\$ 475.7	\$ (19.7)	(4%)
Depreciation, depletion and amortization	\$ 196.4	\$ 227.7	\$ (31.3)	(14%)
Operating earnings	\$ 81.4	\$ 252.7	\$ (171.3)	(68%)
Net earnings attributable to common shareholders	\$ 31.8	\$ 162.4	\$ (130.6)	(80%)

(a) Total includes 100% of Chirano production. "Attributable" includes Kinross' share of Chirano (90%) production.

(b) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the first quarter of 2014 was 63.15:1 (first quarter of 2013 - 54.19:1).

(c) On June 10, 2013, the Company announced its decision to cease development of FDN. As a result, the comparative figures have been recast to exclude the results of FDN.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Operating Earnings (Loss) by Segment

<i>(in millions)</i>	Three months ended March 31,			
	2014	2013	Change	% Change ^(b)
Operating segments				
Fort Knox	\$ 52.8	\$ 99.4	\$ (46.6)	(47%)
Round Mountain	12.9	26.2	(13.3)	(51%)
Kettle River-Buckhorn	6.1	24.6	(18.5)	(75%)
Paracatu	13.8	66.7	(52.9)	(79%)
Maricunga	6.5	(3.4)	9.9	nm
Kupol	51.2	67.7	(16.5)	(24%)
Tasiast	(2.1)	(5.6)	3.5	63%
Chirano	3.1	24.6	(21.5)	(87%)
Non-operating segments				
Corporate and Other ^(a)	(62.9)	(47.5)	(15.4)	(32%)
Total	\$ 81.4	\$ 252.7	\$ (171.3)	(68%)
Discontinued operations				
Fruta del Norte	\$ (2.2)	\$ (1.8)	\$ (0.4)	(22%)

(a) "Corporate and Other" includes operating costs which are not directly related to individual mining properties such as overhead expenses, gains and losses on disposal of assets and investments, and other costs relating to non-operating assets (including La Coipa, Lobo-Marte and White Gold). As of January 1, 2014, La Coipa was reclassified into the Corporate and Other segment. The comparative figures have been reclassified to conform to the 2014 segment presentation.

(b) "nm" means not meaningful.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Mining operations

Fort Knox (100% ownership and operator) – USA

	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Statistics				
Tonnes ore mined (000's)	3,655	7,361	(3,706)	(50%)
Tonnes processed (000's) ^(a)	6,097	3,430	2,667	78%
Grade (grams/tonne) ^(b)	0.66	0.88	(0.22)	(25%)
Recovery ^(b)	84.3%	83.6%	0.7%	1%
Gold equivalent ounces:				
Produced	83,588	93,252	(9,664)	(10%)
Sold	112,711	118,034	(5,323)	(5%)
Financial Data (in millions)				
Metal sales	\$ 145.7	\$ 193.0	\$ (47.3)	(25%)
Production cost of sales	64.2	65.9	(1.7)	(3%)
Depreciation, depletion and amortization	28.5	27.2	1.3	5%
	53.0	99.9	(46.9)	(47%)
Exploration and business development	0.2	0.5	(0.3)	(60%)
Segment operating earnings	\$ 52.8	\$ 99.4	\$ (46.6)	(47%)

(a) Includes 2,790,000 tonnes placed on the heap leach pad during the first quarter of 2014 (first quarter of 2013 - 536,000 tonnes).

(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pad had an average grade of 0.27 grams per tonne during the first quarter of 2014 (first quarter of 2013 - 0.25 grams per tonne). Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined decreased by 50% compared with the first quarter of 2013 due to mine sequencing, which involved mining activities focused on Phase 7 South and placement of stockpile material on the leach pads. During the first quarter of 2014, tonnes of ore processed were 78% higher compared with the same period in 2013 due to an increase in tonnage placed on the leach pads as a result of milder weather conditions and an increase in mill throughput. Mill grades decreased by 25% compared with the first quarter of 2013 as a result of lower grade stockpile ore being processed through the mill. Gold equivalent ounces produced decreased by 10% compared with the first quarter of 2013, primarily due to lower mill grades, partially offset by higher mill throughput. During the first quarter of 2014, gold equivalent ounces sold exceeded production as ounces produced at the end of 2013 were sold in the first quarter of 2014.

During the first quarter of 2014, metal sales decreased by 25% compared with the same period in 2013 due to a decrease in metal prices realized and gold equivalent ounces sold. Production cost of sales decreased by 3% compared with the first quarter of 2013, primarily due to decreases in gold equivalent ounces sold and consumption of mill supplies, partially offset by higher labour and diesel fuel costs as a result of the fleet expansion in 2013. Depreciation, depletion and amortization increased by 5% in the first quarter of 2014 compared with the same period in 2013, primarily due to an increase in the depreciable asset base and a decrease in mineral reserves at December 31, 2013.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Round Mountain (50% ownership and operator; Barrick 50% ownership) – USA

	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Statistics				
Tonnes ore mined (000's) ^(a)	6,670	6,474	196	3%
Tonnes processed (000's) ^(a)	6,376	7,404	(1,028)	(14%)
Grade (grams/tonne) ^(b)	1.02	0.64	0.38	59%
Recovery ^(b)	82.1%	75.3%	6.8%	9%
Gold equivalent ounces:				
Produced	45,054	39,421	5,633	14%
Sold	41,390	38,796	2,594	7%
Financial Data (in millions)				
Metal sales	\$ 54.9	\$ 62.4	\$ (7.5)	(12%)
Production cost of sales	37.3	31.2	6.1	20%
Depreciation, depletion and amortization	4.6	4.9	(0.3)	(6%)
	13.0	26.3	(13.3)	(51%)
Exploration and business development	0.1	0.1	-	-
Segment operating earnings	\$ 12.9	\$ 26.2	\$ (13.3)	(51%)

(a) Tonnes of ore mined/processed represent 100% of operations. Includes 5,466,000 tonnes placed on the heap leach pad during the first quarter of 2014 (first quarter of 2013 - 6,468,000 tonnes).

(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pad had an average grade of 0.32 grams per tonne during the first quarter of 2014 (first quarter of 2013 - 0.38 grams per tonne). Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined increased by 3% compared with the first quarter of 2013, primarily due to planned mine sequencing. During the first quarter of 2014, tonnes of ore processed decreased by 14% compared with the same period in 2013, primarily due to lower tonnes placed on the Gold Hill pad as a result of an increase in the leach cycle caused by slower than expected percolation. Mill grades increased by 59% compared with the first quarter of 2013, primarily due to planned mine sequencing. During the first quarter of 2014, mill recoveries were 9% higher compared with the same period in 2013, primarily due to an increase in mill grades. Gold equivalent ounces produced were 14% higher compared with the first quarter of 2013, primarily due to higher mill grades and recoveries, partially offset by decreases in tonnes processed and heap leach grades.

Metal sales decreased by 12% compared with the first quarter of 2013 due to a decrease in metal prices realized, partially offset by an increase in gold equivalent ounces sold. During the first quarter of 2014, production cost of sales increased by 20% compared with the same period in 2013, primarily due to an increase in gold equivalent ounces sold and an increase in labour costs, partially offset by lower royalty, maintenance, diesel fuel and cyanide costs. Depreciation, depletion and amortization were lower by 6% compared with the first quarter of 2013, primarily due to a decrease in the depreciable asset base.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Kettle River–Buckhorn (100% ownership and operator) – USA

	Three months ended March 31,			
	2014	2013	Change	% Change ^(a)
Operating Statistics				
Tonnes ore mined (000's)	97	91	6	7%
Tonnes processed (000's)	102	121	(19)	(16%)
Grade (grams/tonne)	10.93	13.21	(2.28)	(17%)
Recovery	91.7%	91.7%	-	-
Gold equivalent ounces:				
Produced	25,917	39,870	(13,953)	(35%)
Sold	25,829	39,673	(13,844)	(35%)
Financial Data (in millions)				
Metal sales	\$ 33.3	\$ 63.7	\$ (30.4)	(48%)
Production cost of sales	16.4	20.3	(3.9)	(19%)
Depreciation, depletion and amortization	9.7	16.4	(6.7)	(41%)
	7.2	27.0	(19.8)	(73%)
Exploration and business development	0.4	2.5	(2.1)	(84%)
Other	0.7	(0.1)	0.8	nm
Segment operating earnings	\$ 6.1	\$ 24.6	\$ (18.5)	(75%)

(a) "nm" means not meaningful.

First quarter 2014 vs. First quarter 2013

During the first quarter of 2014, tonnes of ore mined increased by 7% compared with the same period in 2013, primarily due to planned mine sequencing. In addition, in the first quarter of 2013, tonnes of ore mined were lower as a result of the impact of seasonal flooding on mine access. Tonnes of ore processed decreased by 16% compared with the first quarter of 2013, primarily due to a decrease in available stockpile ore. Grades decreased by 17% compared with the first quarter of 2013 consistent with plan. Gold equivalent ounces produced decreased by 35% compared with the first quarter of 2013, primarily due to a decrease in tonnes processed and lower grades.

Metal sales decreased by 48% compared with the first quarter of 2013 due to decreases in metal prices realized and gold equivalent ounces sold. During the first quarter of 2014, production cost of sales was 19% lower compared with the same period in 2013, primarily due to a decrease in gold equivalent ounces sold and lower contractor and concrete costs, partially offset by higher power and energy costs as well as an increase in the consumption of cyanide. Depreciation, depletion and amortization were 41% lower in the first quarter of 2014 compared with the same period in 2013, primarily due to decreases in gold equivalent ounces sold and depreciable asset base, partially offset by a decrease in mineral reserves at December 31, 2013.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Paracatu (100% ownership and operator) – Brazil

	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Statistics				
Tonnes ore mined (000's)	16,083	13,971	2,112	15%
Tonnes processed (000's)	15,047	14,068	979	7%
Grade (grams/tonne)	0.35	0.37	(0.02)	(5%)
Recovery	67.9%	75.4%	(7.5%)	(10%)
Gold equivalent ounces:				
Produced	127,085	119,891	7,194	6%
Sold	115,776	122,028	(6,252)	(5%)
Financial Data (in millions)				
Metal sales	\$ 150.0	\$ 197.3	\$ (47.3)	(24%)
Production cost of sales	100.1	101.4	(1.3)	(1%)
Depreciation, depletion and amortization	33.9	26.1	7.8	30%
	16.0	69.8	(53.8)	(77%)
Other	2.2	3.1	(0.9)	(29%)
Segment operating earnings	\$ 13.8	\$ 66.7	\$ (52.9)	(79%)

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined increased by 15% compared with the first quarter of 2013, primarily due to operational improvements. During the first quarter of 2014, tonnes of ore processed increased by 7% compared with the same period in 2013, primarily due to increased availability and improvements in the operating performance of the mills. Grades and recoveries declined by 5% and 10%, respectively, compared with the first quarter of 2013, primarily due to the characteristics of the ore mined. Gold equivalent ounces produced were 6% higher in the first quarter of 2014 compared with the same period in 2013, primarily due to an increase in tonnes processed, partially offset by lower grades and recoveries. Gold equivalent ounces sold decreased by 5% compared with the first quarter of 2013 mainly due to timing of shipments.

Metal sales decreased by 24% compared with the first quarter of 2013 due to decreases in metal prices realized and gold equivalent ounces sold. Production cost of sales decreased slightly compared with the first quarter of 2013, due to lower gold equivalent ounces sold and a decrease in power, labour and contractor costs, partially offset by an increase in maintenance costs and an increase in the consumption of reagents. Depreciation, depletion and amortization were 30% higher compared with the first quarter of 2013, primarily due to an increase in the depreciable asset base and a reduction in mineral reserves at December 31, 2013, partially offset by a decrease in gold equivalent ounces sold.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Maricunga (100% ownership and operator) – Chile

	Three months ended March 31,			
	2014	2013	Change	% Change ^(b)
Operating Statistics ^(a)				
Tonnes ore mined (000's)	4,491	4,452	39	1%
Tonnes processed (000's)	3,860	3,861	(1)	(0%)
Grade (grams/tonne)	0.74	0.57	0.17	30%
Gold equivalent ounces:				
Produced	52,729	55,062	(2,333)	(4%)
Sold	55,857	54,791	1,066	2%
Financial Data (in millions)				
Metal sales	\$ 73.0	\$ 88.7	\$ (15.7)	(18%)
Production cost of sales	58.6	59.8	(1.2)	(2%)
Depreciation, depletion and amortization	4.6	32.3	(27.7)	(86%)
	9.8	(3.4)	13.2	nm
Exploration and business development	-	0.1	(0.1)	(100%)
Other	3.3	(0.1)	3.4	nm
Segment operating earnings (loss)	\$ 6.5	\$ (3.4)	\$ 9.9	nm

(a) Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

(b) "nm" means not meaningful.

First quarter 2014 vs. First quarter 2013

Grades increased by 30% compared with the first quarter of 2013 as a result of planned mine sequencing, which involved processing higher grade ore from phase 2 of the Pancho pit. During the first quarter of 2014, gold equivalent ounces produced decreased by 4% compared with the same period in 2013, primarily due to reduced efficiency of the Adsorption, Desorption, and Recovery plant. Gold equivalent ounces sold exceeded production as ounces produced at the end of 2013 were sold in the first quarter of 2014.

During the first quarter of 2014, metal sales decreased by 18% compared with the same period in 2013 due to a decrease in metal prices realized, partially offset by an increase in gold equivalent ounces sold. Production cost of sales decreased by 2% compared with the first quarter of 2013, primarily due to lower contractor costs as a result of maintenance and other services being performed internally, lower royalties, and a decrease in fuel costs due to reduced haulage cycles as well as lower prices, partially offset by higher maintenance and labour costs. Depreciation, depletion and amortization decreased to \$4.6 million in the first quarter of 2014 from \$32.3 million in the first quarter of 2013, primarily due to a decrease in the depreciable asset base resulting from impairment charges recognized at June 30, 2013 and December 31, 2013.

KINROSS GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Kupol (100% ownership and operator) – Russian Federation ^(a)

	Three months ended March 31,			
	2014	2013	Change	% Change ^(d)
Operating Statistics				
Tonnes ore mined (000's) ^(b)	440	338	102	30%
Tonnes processed (000's)	409	328	81	25%
Grade (grams/tonne):				
Gold	13.81	10.57	3.24	31%
Silver	106.40	128.44	(22.04)	(17%)
Recovery:				
Gold	94.4%	93.5%	0.9%	1%
Silver	83.7%	84.8%	(1.1%)	(1%)
Gold equivalent ounces: ^(c)				
Produced	191,238	124,498	66,740	54%
Sold	138,286	83,799	54,487	65%
Silver ounces:				
Produced (000's)	1,234	1,174	60	5%
Sold (000's)	1,018	950	68	7%
Financial Data (in millions)				
Metal sales	\$ 181.3	\$ 137.3	\$ 44.0	32%
Production cost of sales	66.5	45.9	20.6	45%
Depreciation, depletion and amortization	56.4	14.9	41.5	nm
	58.4	76.5	(18.1)	(24%)
Exploration and business development	3.2	5.9	(2.7)	(46%)
Other	4.0	2.9	1.1	38%
Segment operating earnings	\$ 51.2	\$ 67.7	\$ (16.5)	(24%)

(a) The Kupol segment includes the Kupol and Dvoynoye mines.

(b) Includes 106,000 tonnes of ore mined from Dvoynoye during the first quarter of 2014 (first quarter of 2013 - 7,000).

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the first quarter of 2014 was 63.15:1 (first quarter of 2013 - 54.19:1).

(d) "nm" means not meaningful.

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined increased by 30% compared with the first quarter of 2013, primarily due to ore mined at Dvoynoye, which commenced commercial production in October 2013. During the first quarter of 2014, tonnes of ore processed increased by 25% compared with the same period in 2013 due to higher mill throughput on completion of the Kupol mill expansion in the third quarter of 2013 and the processing of ore from Dvoynoye. Gold grades increased by 31% compared with the first quarter of 2013 due to the processing of higher grade ore from the Dvoynoye mine, partially offset by the planned decline in grades at Kupol. Gold equivalent ounces produced increased by 54% compared with the first quarter of 2013, primarily due to the higher grade ore from Dvoynoye and an increase in mill throughput, partially offset by the processing of lower grade ore from Kupol and a less favourable gold equivalent ratio. During the first quarter of 2014, gold equivalent ounces sold increased by 65% compared with the same period in 2013, primarily due to an increase in gold equivalent ounces produced, partially offset by timing of shipments.

During the first quarter of 2014, metal sales increased by 32% compared with the same period in 2013 due to an increase in gold equivalent ounces sold, partially offset by a decrease in metal prices realized. Production cost of sales increased by 45% compared with the first quarter of 2013, primarily due to an increase in gold equivalent ounces sold and inflationary pressures on certain inputs such as consumables. Depreciation, depletion and amortization increased to \$56.4 million in the first quarter of 2014 from \$14.9 million in the first quarter of 2013, primarily due to increases in gold equivalent ounces sold and depreciable asset base as a result of Dvoynoye commencing commercial production in October 2013.

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For the three months ended March 31, 2014

Tasiast (100% ownership and operator) – Mauritania

	Three months ended March 31,			
	2014	2013	Change	% Change
Operating Statistics				
Tonnes ore mined (000's)	7,333	6,164	1,169	19%
Tonnes processed (000's) ^(a)	2,948	4,793	(1,845)	(38%)
Grade (grams/tonne) ^(b)	2.15	1.87	0.28	15%
Recovery ^(b)	89.1%	91.1%	(2.0%)	(2%)
Gold equivalent ounces:				
Produced	71,671	62,757	8,914	14%
Sold	66,386	68,381	(1,995)	(3%)
Financial Data (in millions)				
Metal sales	\$ 85.9	\$ 111.4	\$ (25.5)	(23%)
Production cost of sales	67.5	60.2	7.3	12%
Depreciation, depletion and amortization	15.9	33.3	(17.4)	(52%)
	2.5	17.9	(15.4)	(86%)
Exploration and business development	3.2	9.2	(6.0)	(65%)
Other	1.4	14.3	(12.9)	(90%)
Segment operating loss	\$ (2.1)	\$ (5.6)	\$ 3.5	63%

(a) Includes 2,289,000 tonnes placed on the dump leach pad during the first quarter of 2014 (first quarter of 2013 - 4,154,000 tonnes).

(b) Amount represents mill grade and recovery only. Ore placed on the dump leach pads had an average grade of 0.63 grams per tonne during the first quarter of 2014 (first quarter of 2013 - 0.35 grams per tonne). Due to the nature of dump leach operations, point-in-time recovery rates are not meaningful.

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined increased by 19% compared with the first quarter of 2013, primarily due to an increase in the mining of dump leach stockpile material. Tonnes of ore processed were lower by 38% in the first quarter of 2014 compared with the same period in 2013, primarily due to a decision to increase the grade of ore placed on the dump leach pads, which resulted in fewer tonnes being placed on the pads. Grade processed increased in the first quarter of 2014 compared with the same period in 2013, primarily due to higher grades mined from the Piment deposit and the decision to increase the grade of ore placed on the dump leach pads. During the first quarter of 2014, gold equivalent ounces produced increased by 14% compared with the same period in 2013, primarily due to an increase in grades and mill throughput. Gold equivalent ounces sold decreased by 3% compared with the first quarter of 2013 mainly due to timing of shipments.

During the first quarter of 2014, metal sales decreased by 23% compared with the same period in 2013 due to a decrease in metal prices realized and gold equivalent ounces sold. Production cost of sales increased by 12% compared with the first quarter of 2013, primarily due to higher labour and contractor costs, partially offset by a decrease in reagent consumption as a result of lower tonnes placed on the dump leach pads, and a decrease in fuel and maintenance costs due to the start-up of a new low cost power plant and the impact of cost reduction and continuous improvement initiatives. Depreciation, depletion and amortization decreased to \$15.9 million in the first quarter of 2014 from \$33.3 million in the first quarter of 2013, primarily due to a decrease in the depreciable asset base resulting from the impairment recognized at June 30, 2013. Exploration and business development costs decreased to \$3.2 million in the first quarter of 2014 from \$9.2 million in the first quarter of 2013 due to a decrease in exploration activity. During the first quarter of 2014, other costs decreased to \$1.4 million from \$14.3 million in the same period of 2013, primarily due to a decrease in administrative costs as a result of cost reduction initiatives.

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For the three months ended March 31, 2014

Chirano (90% ownership and operator) – Ghana

	Three months ended March 31,			
	2014	2013	Change	% Change ^(b)
Operating Statistics				
Tonnes ore mined (000's) ^(a)	902	1,005	(103)	(10%)
Tonnes processed (000's) ^(a)	817	816	1	0%
Grade (grams/tonne)	3.06	2.73	0.33	12%
Recovery	92.0%	93.1%	(1.1%)	(1%)
Gold equivalent ounces: ^(a)				
Produced	74,898	67,130	7,768	12%
Sold	71,058	69,453	1,605	2%
Financial Data (in millions)				
Metal sales	\$ 91.6	\$ 112.6	\$ (21.0)	(19%)
Production cost of sales	43.8	50.7	(6.9)	(14%)
Depreciation, depletion and amortization	40.5	33.8	6.7	20%
	7.3	28.1	(20.8)	(74%)
Exploration and business development	2.8	3.2	(0.4)	(13%)
Other	1.4	0.3	1.1	nm
Segment operating earnings	\$ 3.1	\$ 24.6	\$ (21.5)	(87%)

(a) Tonnes of ore mined/processed, production and sales represents 100% for all periods.

(b) "nm" means not meaningful.

First quarter 2014 vs. First quarter 2013

Tonnes of ore mined decreased by 10% in the first quarter of 2014 compared with the same period in 2013 due to planned reduction in open pit mining from the Obra deposit and reduced mill availability, partially offset by tonnes mined from the Tano open pit and the Akwaaba underground deposit. Gold equivalent ounces produced were higher by 12% compared with the first quarter of 2013, largely due to the processing of higher grade ore from the Akwaaba deposit.

During the first quarter of 2014, metal sales declined by 19% compared with the same period in 2013 due to a decrease in metal prices realized, partially offset by an increase in gold equivalent ounces sold. Production cost of sales decreased by 14% compared with the first quarter of 2013, primarily due to lower contractor costs as a result of the transition to owner mining, lower energy costs due to a decrease in unit costs and consumption, and lower royalties, partially offset by higher plant maintenance costs and an increase in gold equivalent ounces sold. Depreciation, depletion and amortization increased by 20% compared with the first quarter of 2013, largely due to a decline in mineral reserves at December 31, 2013 and an increase in gold equivalent ounces sold.

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Non-operating segment

La Coipa (100% ownership and operator) – Chile

There was no production at La Coipa in the first quarter of 2014 as mining of the existing ore body was suspended in October 2013. An operating loss of \$7.2 million was recorded during the first quarter of 2014. During the first quarter of 2013, La Coipa produced 53,729 gold equivalent ounces and sold 57,242 gold equivalent ounces, with gold equivalent ounces sold exceeding production due to timing of shipments. Metal sales of \$91.7 million, net of production cost of sales, depreciation, depletion and amortization, exploration and business development, and other expenses, resulted in operating earnings of \$13.0 million for the first quarter of 2013. The Company continues to evaluate the exploration potential at La Coipa, including the future potential of La Coipa Phase 7 and Catalina.

Discontinued operations

Fruta del Norte – Ecuador

On June 10, 2013, the Company announced that it would not proceed with further development of the FDN project in Ecuador as the Government of Ecuador and Kinross were unable to agree on certain key economic and legal terms.

Kinross' decision to cease the development of FDN resulted in a charge of \$720.0 million in the second quarter of 2013, which was included in expenses and reflected a write-down of the Company's carrying value of the FDN project of \$714.7 million, and \$5.3 million of severance and other closure costs.

Exploration and business development

(in millions)	Three months ended March 31,			
	2014	2013	Change	% Change
Exploration and business development	\$ 22.7	\$ 38.5	\$ (15.8)	(41%)

During the first quarter of 2014, exploration and business development expenses were \$22.7 million compared with \$38.5 million for the same period in 2013. Of the total exploration and business development expense, expenditures on exploration totaled \$15.3 million compared with \$27.7 million for the first quarter of 2013, with the decrease primarily due to reduced exploration activity. Capitalized exploration expenses, including capitalized evaluation expenditures, totaled \$0.4 million compared with \$1.1 million for the first quarter of 2013.

Kinross was active on more than 15 mine sites, near-mine and greenfield initiatives during the first quarter of 2014, with a total of 44,160 metres drilled.

General and administrative

(in millions)	Three months ended March 31,			
	2014	2013	Change	% Change
General and administrative	\$ 43.2	\$ 39.5	\$ 3.7	9%

General and administrative costs include expenses related to the overall management of the business which are not part of direct mine operating costs. These are costs that are incurred at corporate offices located in Canada, the United States, Brazil, the Russian Federation, Chile, and the Canary Islands.

General and administrative costs were 9% higher compared with the first quarter of 2013, primarily due to increased employee related costs.

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For the three months ended March 31, 2014

Other income (expense) – net

Other income (expense) decreased from an expense of \$8.4 million in the first quarter of 2013 to an expense of \$6.2 million in the first quarter of 2014. The discussion below details the significant changes in other income (expense) for the first quarter of 2014 compared with the same period in 2013.

(in millions)	Three months ended March 31,				
	2014	2013	Change	% Change	
Gains on sale of other assets - net	\$ 0.4	\$ 0.8	\$ (0.4)	(50%)	
Impairment of investments	-	(5.6)	5.6	100%	
Foreign exchange losses	(8.3)	(3.6)	(4.7)	(131%)	
Net non-hedge derivative losses	(3.4)	-	(3.4)	(100%)	
Other income (expense)	5.1	-	5.1	100%	
	\$ (6.2)	\$ (8.4)	\$ 2.2	26%	

Impairment of investments

During the first quarter of 2013, the Company recognized an impairment charge of \$5.6 million on certain of its available-for-sale investments due to a significant or prolonged decline in their fair values. No such charges were recognized in the first quarter of 2014.

Foreign exchange losses

Foreign exchange losses in the first quarter of 2014 were \$8.3 million compared with \$3.6 million during the same period in 2013. The foreign exchange loss of \$8.3 million was due primarily to the translation of net monetary assets denominated in foreign currencies to the U.S. dollar, with the U.S. dollar having strengthened against the Russian rouble, Canadian dollar, Ghanaian cedi and Chilean peso at March 31, 2014 relative to December 31, 2013, partially offset by the weakening of the U.S. dollar against the Brazilian real and Mauritanian ouguiya.

The foreign exchange loss of \$3.6 million in the first quarter of 2013 was due primarily to the translation of net monetary assets denominated in foreign currencies to the U.S. dollar, with the U.S. dollar having strengthened against the Russian rouble, Canadian dollar and Ghanaian cedi at March 31, 2013 relative to December 31, 2012, offset partially by the weakening of the U.S. dollar against the Brazilian real, Chilean peso and Mauritanian ouguiya during this period.

Net non-hedge derivative losses

Net non-hedge derivative losses increased to \$3.4 million in the first quarter of 2014 from \$nil in the first quarter of 2013. The increase was primarily due to the closing out of certain interest rate swaps on March 10, 2014 (refer to Section 6 *Liquidity and Capital Resources*).

Finance expense

(in millions)	Three months ended March 31,				
	2014	2013	Change	% Change	
Finance expense	\$ (12.8)	\$ (8.6)	\$ (4.2)	(49%)	

Finance expense includes accretion on reclamation and remediation obligations and interest expense.

Finance expense in the first quarter of 2014 increased by \$4.2 million compared with the same period in 2013, primarily due to an increase of \$2.6 million in accretion expense on reclamation and remediation obligations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Income and mining taxes

Kinross is subject to tax in various jurisdictions including Canada, the United States, Brazil, Chile, Ecuador, the Russian Federation, Mauritania, and Ghana.

In the first quarter of 2014, the Company recorded a tax expense of \$31.1 million on income from continuing operations before taxes of \$62.5 million, compared with a tax expense of \$72.8 million on earnings from continuing operations before taxes of \$236.8 million in the first quarter of 2013. Excluding the impact of items that are not reflective of the underlying operating performance of our business, such as foreign exchange translation, the Company's adjusted effective tax rate for the first quarter of 2014 was 54.3%, compared with an adjusted effective tax rate of 30.5% for the first quarter of 2013. The increase in the Company's adjusted effective tax rate for the first quarter of 2014, compared with the same period in 2013, was largely due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for the first quarter of 2014 was 26.5% (2013 – 26.5%).

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.

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 fluctuate in future periods.

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6. LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes Kinross' cash flow activity:

(in millions)	Three months ended March 31,			
	2014	2013 ^(a)	Change	% Change ^(b)
Cash flow				
Of continuing operations provided from operating activities	\$ 210.5	\$ 365.3	\$ (154.8)	(42%)
Of continuing operations provided from (used in) investing activities	(196.7)	19.2	(215.9)	nm
Of continuing operations used in financing activities	(35.1)	(578.2)	543.1	94%
Of discontinued operations	(2.4)	(15.5)	13.1	85%
Effect of exchange rate changes on cash and cash equivalents of continuing operations	(6.8)	(2.7)	(4.1)	(152%)
Decrease in cash and cash equivalents	(30.5)	(211.9)	181.4	86%
Cash and cash equivalents, beginning of period	734.5	1,632.7	(898.2)	(55%)
Cash and cash equivalents, end of period	\$ 704.0	\$ 1,420.8	\$ (716.8)	(50%)

(a) On June 10, 2013, the Company announced its decision to cease development of FDN. As a result, the comparative figures have been recast to exclude the results of FDN.

(b) "nm" means not meaningful.

Cash and cash equivalent balances decreased by \$30.5 million in the first quarter of 2014 compared with a decrease of \$211.9 million during the same period in 2013. Detailed discussions regarding cash flow movements from continuing operations are noted below.

Operating Activities

First quarter 2014 vs. First quarter 2013

Net cash flow provided from operating activities decreased to \$210.5 million in the first quarter of 2014 compared with \$365.3 million in the same period of 2013, primarily due to a decrease in metal sales.

Investing Activities

First quarter 2014 vs. First quarter 2013

During the first quarter of 2014, cash used in investing activities was \$196.7 million compared with cash provided of \$19.2 million in the same period of 2013. The primary use of cash during the first quarter of 2014 was for investment in property, plant and equipment of \$168.9 million. The primary sources of cash during the first quarter of 2013 were proceeds of \$349.8 million received on the Company's disposal of its short-term investments, partially offset by cash used for investment in property, plant and equipment of \$309.5 million.

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For the three months ended March 31, 2014

The following table presents a breakdown of capital expenditures on a cash basis:

(in millions)	Three months ended March 31,			
	2014	2013	Change	% Change
Operating segments				
Fort Knox	\$ 29.7	\$ 49.4	\$ (19.7)	(40%)
Round Mountain	6.6	10.0	(3.4)	(34%)
Kettle River - Buckhorn	1.6	1.2	0.4	33%
Paracatu	16.8	14.4	2.4	17%
Maricunga	9.4	16.3	(6.9)	(42%)
Kupol ^(a)	39.5	29.0	10.5	36%
Tasiast	51.3	155.6	(104.3)	(67%)
Chirano	10.7	28.1	(17.4)	(62%)
Non-operating segments				
Corporate and Other ^(b)	3.3	5.5	(2.2)	(40%)
Total	\$ 168.9	\$ 309.5	\$ (140.6)	(45%)

(a) Includes \$22.2 million of capital expenditures at Dvoinoye during the first quarter of 2014 (first quarter of 2013 - \$11.1 million).

(b) "Corporate and Other" includes corporate and other non-operating assets (including La Coipa, Lobo-Marte and White Gold). As of January 1, 2014, La Coipa was reclassified into the Corporate and Other segment. The comparative figures have been reclassified to conform to the 2014 segment presentation.

During the first quarter of 2014, capital expenditures decreased by \$140.6 million compared with the same period in 2013. The decreases in capital expenditures were largely due to reduced spending at Tasiast, Fort Knox and Chirano.

Financing Activities

First quarter 2014 vs. First quarter 2013

Net cash flow used in financing activities was \$35.1 million compared with \$578.2 million for the first quarter of 2013. The change was largely due to a net repayment of debt of \$31.6 million in the first quarter of 2014 compared with a net repayment of debt of \$487.0 million in the same period of 2013. The net repayment of debt of \$31.6 million in the first quarter of 2014 included repayments of \$500.0 million of the term loan and \$30.0 million of the Kupol loan, partially offset by net proceeds of \$492.9 million received from the issuance of senior notes on March 6, 2014. During the first quarter of 2013, net repayment of debt of \$487.0 million included \$454.6 million related to the repurchase of the convertible senior notes and \$30.0 million related to the periodic repayment of the Kupol loan. In addition, in the first quarter of 2013, dividends of \$91.3 million were paid to common shareholders. During the first quarter of 2014, no dividends were paid to common shareholders.

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For the three months ended March 31, 2014

Balance Sheet

(in millions)	As at	
	March 31, 2014	December 31, 2013
Cash and cash equivalents and short-term investments	\$ 704.0	\$ 734.5
Current assets	\$ 2,366.3	\$ 2,405.8
Total assets	\$ 10,166.3	\$ 10,286.7
Current liabilities, including current portion of long-term debt	\$ 599.2	\$ 712.9
Total long-term financial liabilities ^(a)	\$ 2,728.4	\$ 2,757.5
Total debt, including current portion	\$ 2,090.9	\$ 2,119.6
Total liabilities	\$ 4,025.4	\$ 4,196.8
Common shareholders' equity	\$ 6,065.4	\$ 6,014.0
Non-controlling interest	\$ 75.5	\$ 75.9
Statistics		
Working capital ^(b)	\$ 1,767.1	\$ 1,692.9
Working capital ratio ^(c)	3.95:1	3.37:1

(a) Includes long-term debt, provisions, and unrealized fair value of derivative liabilities.

(b) Calculated as current assets less current liabilities.

(c) Calculated as current assets divided by current liabilities.

At March 31, 2014, Kinross had cash and cash equivalents and short-term investments of \$704.0 million, a decrease of \$30.5 million from the balance as at December 31, 2013, primarily due to cash flows of \$168.9 million used in the purchase of property, plant and equipment and the periodic repayment of \$30.0 million on the Kupol loan, offset by operating cash flows. Current assets decreased to \$2,366.3 million, mainly due to the decrease in cash and cash equivalents and short-term investments. Total assets decreased by \$120.4 million to \$10,166.3 million, primarily due to decreases in property, plant and equipment and cash and cash equivalents and short-term investments. Current liabilities decreased to \$599.2 million, largely due to a decrease in accounts payable and accrued liabilities. Total debt decreased by \$28.7 million to \$2,090.9 million, primarily due to repayments of \$500.0 million of the term loan and \$30.0 million of the Kupol loan, partially offset by net proceeds of \$492.9 million received from the issuance of senior notes on March 6, 2014.

On February 13, 2013, the Board of Directors declared a dividend of \$0.08 per common share to shareholders of record on March 21, 2013.

On July 31, 2013, the Board of Directors suspended the payment of the semi-annual dividend. Future decisions regarding the dividend will be based on a number of factors, including market conditions, balance sheet strength and liquidity, operational performance, and the impact of ongoing cost reduction measures.

As of May 6, 2014, there were 1,144.4 million common shares of the Company issued and outstanding. In addition, at the same date, the Company had 16.7 million share purchase options outstanding under its share option plan and 25.8 million common share purchase warrants outstanding (convertible to 25.8 million Kinross shares).

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For the three months ended March 31, 2014

Financings and Credit Facilities

Senior notes

On August 22, 2011, the Company completed a \$1.0 billion offering of debt securities, consisting of \$250.0 million principal amount of 3.625% senior notes due 2016, \$500.0 million principal amount of 5.125% senior notes due 2021 and \$250.0 million principal amount of 6.875% senior notes due 2041. Kinross received net proceeds of \$980.9 million from the offering, after discount and payment of fees and expenses related to the offering.

On March 6, 2014, the Company completed a \$500.0 million offering of debt securities consisting of 5.950% senior notes due 2024. Kinross received net proceeds of \$492.9 million from the offering, after discount and payment of fees and expenses related to the offering.

The senior notes referred to above (collectively, the "notes") pay interest semi-annually. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indentures, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months of maturity of the notes due in 2021 and 2024 and within six months of maturity of the notes due in 2041, the Company can only redeem the notes in whole at 100% of the principal amount plus accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a repurchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the repurchase date, if any.

Kupol loan

On December 21, 2011, the Company completed a \$200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of \$30.0 million commenced in March 2013 and will continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to \$13.0 million and \$7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs, if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of \$151.3 million (December 31, 2013 - \$154.7 million) are pledged as security as part of the Kupol loan.

As at March 31, 2014, cash of \$34.0 million (December 31, 2013 - \$34.0 million) was restricted for payments related to the loan.

Corporate revolving credit and term loan facilities

In August 2012, the Company completed a new unsecured term loan facility for \$1,000.0 million. The facility was set to mature on August 10, 2015, with the full amount having been drawn on August 22, 2012. Also, in August 2012, under the same agreement, the Company amended the revolving credit facility increasing the available amount to \$1,500.0 million and extending the maturity date from March 2015 to August 2017.

On June 10, 2013, the Company amended its \$1,500.0 million revolving credit facility and \$1,000.0 million term loan to extend the respective maturity dates and remove the minimum tangible net worth covenant. The revolving credit facility's term was extended by one year to August 10, 2018 from August 10, 2017, and the term loan was extended by two years to mature on August 10, 2017 from August 10, 2015. As at March 31, 2014, the Company had utilized \$32.0 million (December 31, 2013 - \$31.9 million) of the amended revolving credit facility. The amount utilized was entirely for letters of credit.

On March 10, 2014, the Company repaid \$500.0 million of the term loan, leaving a balance of \$500.0 million outstanding.

Loan interest for both the amended revolving credit facility and the amended term loan is variable, set at LIBOR plus an interest rate margin which is dependent on the Company's credit rating. Based on the Company's credit rating at March 31, 2014, interest charges and fees are as follows:

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For the three months ended March 31, 2014

Type of credit	
Dollar based LIBOR loan	LIBOR plus 1.70%
Letters of credit	1.13-1.70%
Standby fee applicable to unused availability	0.34%

When the term loan was originally arranged in August 2012, the Company entered into interest rate swaps to swap the underlying 1-month LIBOR interest rate into a fixed rate of 0.49% for the original three year term ending August 10, 2015. During the second quarter of 2013, the term loan maturity was extended to August 2017. Accordingly, the interest rate swaps only hedged the term loan's interest rate exposure until the original maturity of August 2015. Concurrent with the repayment of \$500.0 million of the term loan on March 10, 2014, the Company closed out 60% of these interest rate swaps. The remaining outstanding interest rate swaps continue to hedge 80% of the remaining underlying floating rate term loan. Based on the Company's current credit rating, the fixed rate on the hedged portion of the term loan is 2.19%.

The amended revolving credit facility and unsecured term loan were arranged under one credit agreement, which contains various covenants including limits on indebtedness, asset sales and liens. The significant financial covenant is a ratio of net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with this covenant at March 31, 2014.

Other

On June 15, 2012, the Company entered into an amendment to increase the amount of its Letter of Credit guarantee facility with Export Development Canada ("EDC") from \$136.0 million to \$200.0 million and to extend the maturity date to March 31, 2015. Letters of credit guaranteed by this facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River-Buckhorn. Fees related to letters of credit under this facility are 1.00% to 1.25%. As at March 31, 2014, \$194.4 million (December 31, 2013 - \$164.1 million) was utilized under this facility.

In addition, at March 31, 2014, the Company had approximately \$42.8 million (December 31, 2013 - \$42.0 million) in letters of credit outstanding in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with certain international banks.

From time to time, the Company's operations in Brazil may borrow U.S. dollars from Brazilian banks on a short-term unsecured basis to meet working capital requirements. As at March 31, 2014, \$5.5 million (December 31, 2013 - \$nil) was outstanding under such borrowings.

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For the three months ended March 31, 2014

The following table outlines the credit facility utilization and availability:

(in millions)	As at	
	March 31, 2014	December 31, 2013
Utilization of revolving credit facility	\$ (32.0)	\$ (31.9)
Utilization of EDC facility	(194.4)	(164.1)
Borrowings	\$ (226.4)	\$ (196.0)
Available under revolving credit facility	\$ 1,468.0	\$ 1,468.1
Available under EDC credit facility	5.6	35.9
Available credit	\$ 1,473.6	\$ 1,504.0

Total debt of \$2,090.9 million at March 31, 2014 consists of \$1,478.7 million for the senior notes, \$498.2 million for the corporate term loan, \$108.5 million for the Kupol loan, and \$5.5 million for borrowings made with respect to the Company's operations in Brazil to meet working capital requirements. The current portion of this debt is \$65.5 million at March 31, 2014.

Liquidity Outlook

In 2014, the Company expects to repay \$565.5 million of debt in cash, of which \$530.0 million was repaid during the first quarter of 2014, including \$500.0 million relating to the repayment of the term loan and \$30.0 million relating to the periodic repayment of the Kupol loan.

We believe that the Company's existing cash and cash equivalents balance of \$704.0 million, available credit of \$1,473.6 million, and expected operating cash flows based on current assumptions (noted in Section 3 of this MD&A) will be sufficient to fund operations, our forecasted exploration and capital expenditures (noted in Section 3 of this MD&A), debt repayments noted above, and reclamation and remediation obligations currently estimated for 2014. Prior to any capital investments, consideration is given to the cost and availability of various sources of capital resources.

With respect to longer term capital expenditure funding requirements, the Company continues to have discussions with lending institutions that have been active in the jurisdictions in which the Company's development projects are located. Some of the jurisdictions in which the Company operates have seen the participation of lenders including export credit agencies, development banks and multi-lateral agencies. The Company believes the capital from these institutions combined with traditional bank loans and capital available through debt capital market transactions may fund a portion of the Company's longer term capital expenditure requirements. Another possible source of capital could be proceeds from the sale of non-core assets. These capital sources together with operating cash flow and the Company's active management of its operations and development activities will enable the Company to maintain an appropriate overall liquidity position.

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For the three months ended March 31, 2014

Contractual Obligations and Commitments

The Company manages its exposure to fluctuations in input commodity prices, currency exchange rates and interest rates, by entering into derivative financial instruments from time to time, in accordance with the Company's risk management policy.

The following table provides a summary of derivative contracts outstanding at March 31, 2014:

	2014	2015	Total
<u>Foreign currency</u>			
Brazilian real forward buy contracts (in millions of U.S. dollars)	230.2	88.0	318.2
Average price	2.19	2.34	2.23
Chilean peso forward buy contracts (in millions of U.S. dollars)	54.4	-	54.4
Average price	534.38	-	534.38
Russian rouble forward buy contracts (in millions of U.S. dollars)	36.0	48.0	84.0
Average price	34.90	35.88	35.46
Canadian dollar forward buy contracts (in millions of U.S. dollars)	83.7	-	83.7
Average price	1.04	-	1.04
<u>Energy</u>			
Oil swap contracts (barrels)	130,000	100,000	230,000
Average price	88.76	86.64	87.84
Diesel swap contracts (gallons)	1,890,000	-	1,890,000
Average price	2.82	-	2.82
Gasoil swap contracts (tonnes)	12,078	-	12,078
Average price	863.06	-	863.06

No new derivative contracts were engaged during the three months ended March 31, 2014.

When the term loan was originally arranged in August 2012, the Company entered into interest rate swaps to swap the underlying 1-month LIBOR interest rate into a fixed rate of 0.49% for the original three year term ending August 10, 2015. During the second quarter of 2013, the term loan maturity was extended to August 2017. Accordingly, the interest rate swaps only hedged the term loan's interest rate exposure until the original maturity of August 2015. Concurrent with the repayment of \$500.0 million of the term loan on March 10, 2014, the Company closed out 60% of these interest rate swaps. The remaining outstanding interest rate swaps continue to hedge 80% of the remaining underlying floating rate term loan.

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Fair value of derivative instruments

The fair values of derivative instruments are noted in the table below:

(in millions)	As at	
	March 31, 2014	December 31, 2013
<i>Asset (liability)</i>		
Interest rate swaps	\$ (1.3)	\$ (2.9)
Foreign currency forward contracts	(32.8)	(48.9)
Energy swap contracts	2.1	2.7
Total return swap	(0.8)	(0.5)
	\$ (32.8)	\$ (49.6)

Contingent Liability

The Company is obligated to pay \$20.0 million to Barrick Gold Corporation if a positive production decision is made relating to the Cerro Casale project.

Other legal matters

The Company is from time to time involved in legal proceedings, arising in the ordinary course of its business. Typically, and currently, except in the case of the actions described below, 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.

A putative securities class action complaint was filed on February 16, 2012 (the "U.S. Complaint"), entitled *Bo Young Cha v. Kinross Gold Corporation et al.*, in the United States District Court for the Southern District of New York (the "Court"). The U.S. Complaint named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, former Executive Vice President and Chief Financial Officer, Glen Masterman, former Senior Vice President, Exploration and Kenneth Thomas, former Senior Vice President, Projects. On May 31, 2012, the Court selected the City of Austin Police Retirement System ("City of Austin") to be lead plaintiff. Pursuant to an order of the Court, City of Austin filed an amended Complaint on July 23, 2012 (the "Amended U.S. Complaint"). The Amended U.S. Complaint alleges among other things, that, between August 2, 2010 and January 17, 2012, the defendants inflated Kinross' share price by knowingly or recklessly making material misrepresentations concerning (i) the extent and quality of the due diligence Kinross performed prior to its acquisition of Red Back and (ii) Kinross' schedule for developing the Tasiast mine. The defendants filed a motion to dismiss the Amended U.S. Complaint on September 7, 2012 and oral argument on the motion to dismiss took place on November 30, 2012. On March 22, 2013, the Court issued an order (the "Order") granting in part and denying in part the defendants' motion to dismiss the Amended U.S. Complaint. The Order granted the defendants' motion to dismiss with respect to all claims based on (a) Kinross' disclosures about its due diligence for the Red Back acquisition, and (b) Kinross' disclosures before August 10, 2011 about the Tasiast development schedule. The Order denied the defendants' motion to dismiss City of Austin's allegations that the defendants made misleading statements about the Tasiast development schedule between August 10, 2011 and January 17, 2012. On April 5, 2013, the defendants filed a motion asking the Court to reconsider the portions of the Order allowing the City of Austin's claims to proceed. On April 8, 2013, the Court (i) directed the City of Austin to respond to the defendants' motion for reconsideration by April 19, 2013, and (ii) stated that it will wait until after its ruling on defendants' motion for reconsideration before entering a case management schedule governing any future proceedings in the lawsuit. The City of Austin filed a response on April 19, 2013 and the defendants filed a reply on May 1, 2013. On June 6, 2013 the Court issued an opinion and order denying the defendants' motion for reconsideration. On July 8, 2013 the defendants filed their answer to the Amended U.S. Complaint. The parties are now in the fact discovery phase of litigation, which includes the production of information and documents (which was substantially completed on January 10, 2014) and the oral depositions of witnesses, which are currently in progress. The defendants intend to vigorously defend against the surviving claims of the Amended U.S. Complaint and believe they are without merit.

A notice of action in a proposed class proceeding under Ontario's Class Proceedings Act, 1992, was filed in the Ontario Superior Court of Justice (the "Ontario Court") on March 12, 2012, entitled *Trustees of the Musicians' Pension Fund of Canada v. Kinross Gold Corporation et al.* (the "Ontario Action"). A statement of claim in the Ontario Action was subsequently served on April 11, 2012.

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The Ontario Action named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, former Executive Vice President and Chief Financial Officer, Glen Masterman, former Senior Vice President, Exploration, and Kenneth Thomas, former Senior Vice President, Projects. The Ontario Action alleges, among other things, that Kinross made a number of misrepresentations relating to the quantity and quality of gold ore at the Tasiast mine and the costs of operating the mine, and that Kinross and the individual defendants knew that such misrepresentations were false or misleading when made. The plaintiffs sought certification of the action as a class proceeding and leave to proceed under the statutory civil liability provisions of Ontario's Securities Act. A hearing on the plaintiffs' leave and certification motions was held from October 22–24, 2013. On November 5, 2013, the Ontario Court issued Reasons For Decision dismissing the leave motion in respect of the statutory claims and dismissing the certification motion in respect of both the statutory claims and the common law negligent misrepresentation claims. The plaintiffs have appealed the Order of the Ontario Court. The appeals on the certification and leave motions have been consolidated and will both be heard by the Ontario Court of Appeal. The appeal is scheduled to be heard on June 11, 2014. Presently, and subject to the outcome of any appeal, as a result of the Ontario Court's decision, the only claim that remains is an individual claim, not a class proceeding by the Trustees of the Musicians' Pension Fund of Canada, asserting common law negligent misrepresentations. Kinross believes that the remaining individual claim is without merit and intends to vigorously defend against it.

7. SUMMARY OF QUARTERLY INFORMATION

(in millions, except per share amounts)	2014		2013		2012 ^(a)			
	Q1	Q4	Q3	Q2	Q1 ^(a)	Q4	Q3	Q2
Metal sales	\$ 817.4	\$ 877.1	\$ 876.3	\$ 968.0	\$ 1,058.1	\$ 1,186.9	\$ 1,109.7	\$ 1,005.6
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 31.8	\$ (740.0)	\$ 46.9	\$ (2,481.9)	\$ 162.4	\$ (2,984.9)	\$ 226.2	\$ 113.9
Net earnings (loss) from discontinued operations after-tax	\$ (2.2)	\$ (2.1)	\$ (5.0)	\$ (721.1)	\$ (1.9)	\$ (4.2)	\$ (1.3)	\$ 39.7
Basic earnings (loss) per share from continuing operations attributable to common shareholders	\$ 0.03	\$ (0.65)	\$ 0.04	\$ (2.17)	\$ 0.14	\$ (2.62)	\$ 0.20	\$ 0.10
Diluted earnings (loss) per share from continuing operations attributable to common shareholders	\$ 0.03	\$ (0.65)	\$ 0.04	\$ (2.17)	\$ 0.14	\$ (2.62)	\$ 0.20	\$ 0.10
Net cash flow of continuing operations provided from operating activities	\$ 210.5	\$ 187.2	\$ 137.7	\$ 106.4	\$ 365.3	\$ 487.4	\$ 368.7	\$ 79.1

(a) On June 10, 2013, the Company announced its decision to cease development of FDN. As a result, the comparative figures have been recast to exclude the results of FDN.

The Company's results over the past several quarters have been driven primarily by fluctuations in the gold price, input costs and changes in the gold equivalent ounces sold. Fluctuations in the silver price have also affected results.

During the first quarter of 2014, revenue decreased to \$817.4 million on gold equivalent ounces sold of 628,637 compared with \$1,058.1 million on sales of 652,197 gold equivalent ounces during the first quarter of 2013. The average gold price realized in the first quarter of 2014 was \$1,299 per ounce compared with \$1,268 per ounce in the fourth quarter of 2013 and \$1,624 per ounce in the first quarter of 2013.

Production cost of sales decreased by 4% to \$456.0 million in the first quarter of 2014 compared with \$475.7 million in the same period of 2013, primarily due to a decrease in gold equivalent ounces sold.

Additionally, fluctuations in the foreign exchange rates have affected results. Depreciation, depletion and amortization varied between each of the above quarters largely due to changes in gold equivalent ounces sold and depreciable asset base. In addition, changes in mineral reserves during each of these years affected depreciation, depletion and amortization for quarters in the subsequent year.

In the fourth quarter of 2013, the Company recorded after-tax impairment charges of \$544.8 million, which included \$376.0 million relating to property, plant and equipment at Maricunga, net of a tax recovery of \$49.2 million, and \$168.8 million relating to goodwill at Quebrada Seca.

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For the three months ended March 31, 2014

During the second quarter of 2013, the Company recognized impairment charges of \$2,289.3 million at several of its CGUs, net of a tax recovery of \$108.7 million.

Also in the second quarter of 2013, the Company announced that it would not proceed with further development of the FDN project in Ecuador as the Government of Ecuador and Kinross were unable to agree on certain key economic and legal terms, which balanced the interests of all stakeholders. Kinross' decision to cease the development of FDN resulted in a charge of \$720.0 million in the second quarter of 2013.

In the fourth quarter of 2012, the Company recorded impairment charges at its Tasiast and Chirano CGUs totaling \$3,206.1 million, net of a tax recovery of \$321.5 million. In the fourth quarter of 2011, the Company recorded goodwill impairment charges at its Tasiast and Chirano CGUs totaling \$2,937.6 million.

In the second quarter of 2012, the Company sold its 50% interest in the Crixás gold mine to a subsidiary of AngloGold Ashanti Ltd. for gross proceeds of \$220.0 million, resulting in an after-tax gain on disposal of \$33.8 million.

Operating cash flows decreased to \$210.5 million in the first quarter of 2014, compared with \$365.3 million in the same period of 2013, primarily due to a decrease in metal sales.

8. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission, 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, and internal control over financial reporting. This evaluation is done under the supervision of, and with the participation of, the Chief Executive Officer and the Chief Financial Officer.

For the quarter ended March 31, 2014, the Chief Executive Officer and the Chief Financial Officer concluded that Kinross' disclosure controls and procedures, and internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of information disclosed in its filings, including its financial statements prepared in accordance with IFRS. During the three months ended March 31, 2014, Tasiast converted to a new ERP system. The ERP system conversion has not resulted in any significant changes in internal controls during the three months ended March 31, 2014. Management employed appropriate procedures to ensure internal controls were in place during and after the conversion.

Limitations of Controls and Procedures

Kinross' management, including the Chief Executive Officer and the Chief Financial Officer, believes that any disclosure controls and procedures and internal control over financial reporting, no matter how well designed and operated, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

9. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ACCOUNTING CHANGES

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The critical estimates, assumptions and judgments applied in the preparation of the Company's interim financial statements are consistent with those applied and disclosed in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2013.

Accounting Changes

The accounting policies applied in the preparation of the Company's interim financial statements are consistent with those used in the Company's annual audited consolidated financial statements for the year ended December 31, 2013.

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For the three months ended March 31, 2014

10. RISK ANALYSIS

The business of Kinross contains significant risk due to the nature of mining, exploration, and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general while others are specific to Kinross. For an additional discussion of risk factors, please refer to the MD&A for the year ended December 31, 2013 and for additional information please refer to the Annual Information Form for the year ended December 31, 2013, each of which is available on the Company's website www.kinross.com and on www.sedar.com or is available upon request from the Company.

Political Developments and Uncertainty in the Russian Federation

Escalating political tensions and uncertainties as a result of the Russian Federation's foreign policy decisions and actions in respect of Ukraine have resulted in the imposition of economic sanctions and increased the risk that certain governments may impose further economic, or other, sanctions on the Russian Federation or on persons and/or companies conducting business in the Russian Federation. There can be no assurance that sanctions will not be imposed by the Russian Federation, including in response to existing or threatened sanctions, or by Canada, the United States or the European Union against persons and/or companies conducting business in the Russian Federation. The imposition of such economic sanctions or other penalties could have a material adverse effect on the Company's assets and operations.

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11. SUPPLEMENTAL INFORMATION

Reconciliation of non-GAAP financial measures

The Company has included certain non-GAAP financial measures in this document. These measures are not defined under IFRS and should not be considered in isolation. The Company believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

Adjusted Net Earnings Attributable to Common Shareholders and Adjusted Net Earnings per Share

Adjusted net earnings attributable to common shareholders and adjusted net earnings per share are non-GAAP measures which determine the performance of the Company, excluding certain impacts which the Company believes are not reflective of the Company's underlying performance for the reporting period, such as the impact of foreign exchange gains and losses, reassessment of prior year taxes and/or taxes otherwise not related to the current period, impairment charges, gains and losses and other one-time costs related to acquisitions, dispositions and other transactions, and non-hedge derivative gains and losses. Although some of the items are recurring, the Company believes that they are not reflective of the underlying operating performance of its current business and are not necessarily indicative of future operating results. Management believes that these measures, which are used internally to assess performance and in planning and forecasting future operating results, provide investors with the ability to better evaluate underlying performance, particularly since the excluded items are typically not included in public guidance. However, adjusted net earnings and adjusted net earnings per share measures are not necessarily indicative of net earnings and earnings per share measures as determined under IFRS.

The following table provides a reconciliation of net earnings from continuing operations to adjusted net earnings from continuing operations for the periods presented:

(in millions, except share and per share amounts)	Three months ended March 31,	
	2014	2013
Net earnings from continuing operations attributable to common shareholders - as reported	\$ 31.8	\$ 162.4
Adjusting items:		
Foreign exchange losses	8.3	3.6
Non-hedge derivatives losses - net of tax	3.0	-
Gains on sale of other assets - net of tax	(0.2)	(0.6)
Foreign exchange gains on translation of tax basis and foreign exchange on deferred income taxes within income tax expense	(9.5)	(2.6)
Taxes in respect of prior years	0.7	4.0
Impairment of investments	-	5.6
	2.3	10.0
Adjusted net earnings from continuing operations attributable to common shareholders	\$ 34.1	\$ 172.4
Weighted average number of common shares outstanding - Basic	1,143.8	1,140.6
Adjusted net earnings from continuing operations per share	\$ 0.03	\$ 0.15

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Adjusted Operating Cash Flow

The Company makes reference to a non-GAAP measure for adjusted operating cash flow. Adjusted operating cash flow is defined as cash flow from operations excluding certain impacts which the Company believes are not reflective of the Company's regular operating cash flow and excluding changes in working capital. Working capital can be volatile due to numerous factors, including the timing of tax payments, and in the case of Kupol, a build-up of inventory due to transportation logistics. The Company uses adjusted operating cash flow internally as a measure of the underlying operating cash flow performance and future operating cash flow-generating capability of the Company. However, the adjusted operating cash flow measure is not necessarily indicative of net cash flow from operations as determined under IFRS.

The following table provides a reconciliation of adjusted cash flow from continuing operations for the periods presented:

(in millions)	Three months ended March 31,	
	2014	2013
Net cash flow of continuing operations used in operating activities - as reported	\$ 210.5	\$ 365.3
Adjusting items:		
Working capital changes:		
Accounts receivable and other assets	(50.0)	(29.1)
Inventories	23.4	34.9
Accounts payable and other liabilities, including taxes	55.1	42.6
	28.5	48.4
Adjusted operating cash flow from continuing operations	\$ 239.0	\$ 413.7

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Consolidated and Attributable Production Cost of Sales per Equivalent Ounce Sold

Consolidated production cost of sales per gold equivalent ounce sold is a non-GAAP measure and is defined as production cost of sales as reported on the interim condensed consolidated statement of operations divided by the total number of gold equivalent ounces sold. This measure converts the Company's non-gold production into gold equivalent ounces and credits it to total production.

Attributable production cost of sales per gold equivalent ounce sold is a non-GAAP measure and is defined as attributable production cost of sales divided by the attributable number of gold equivalent ounces sold. This measure converts the Company's non-gold production into gold equivalent ounces and credits it to total production.

Management uses these measures to monitor and evaluate the performance of its operating properties.

The following table provides a reconciliation of consolidated and attributable production cost of sales per equivalent ounce sold for the periods presented:

(in millions, except ounces and production cost of sales per equivalent ounce)	Three months ended March 31,	
	2014	2013
Production cost of sales - as reported	\$ 456.0	\$ 475.7
Less: portion attributable to Chirano non-controlling interest	(4.4)	(5.1)
Attributable production cost of sales	\$ 451.6	\$ 470.6
Gold equivalent ounces sold	628,637	652,197
Less: portion attributable to Chirano non-controlling interest	(7,106)	(6,945)
Attributable gold equivalent ounces sold	621,531	645,252
Consolidated production cost of sales per equivalent ounce sold	\$ 725	\$ 729
Attributable production cost of sales per equivalent ounce sold	\$ 727	\$ 729

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Attributable Production Cost of Sales per Ounce Sold on a By-Product Basis

Attributable production cost of sales per ounce sold on a by-product basis is a non-GAAP measure which calculates the Company's non-gold production as a credit against its per ounce production costs, rather than converting its non-gold production into gold equivalent ounces and crediting it to total production, as is the case in co-product accounting. Management believes that this measure provides investors with the ability to better evaluate Kinross' production cost of sales per ounce on a comparable basis with other major gold producers who routinely calculate their cost of sales per ounce using by-product accounting rather than co-product accounting.

The following table provides a reconciliation of attributable production cost of sales per ounce sold on a by-product basis for the periods presented:

(in millions, except ounces and production cost of sales per ounce)	Three months ended March 31,	
	2014	2013
Production cost of sales - as reported	\$ 456.0	\$ 475.7
Less: portion attributable to Chirano non-controlling interest	(4.4)	(5.1)
Less: attributable silver revenues	(24.5)	(61.9)
Attributable production cost of sales net of silver by-product revenue	\$ 427.1	\$ 408.7
Gold ounces sold	610,158	613,683
Less: portion attributable to Chirano non-controlling interest	(7,085)	(6,916)
Attributable gold ounces sold	603,073	606,767
Attributable production cost of sales per ounce sold on a by-product basis	\$ 708	\$ 674

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Attributable All-In Sustaining Cost and All-In Cost per Ounce Sold on a By-Product Basis

In June 2013, the World Gold Council ("WGC") published its guidelines for reporting all-in sustaining costs and all-in costs. The WGC is a market development organization for the gold industry and is an association whose membership comprises leading gold mining companies including Kinross. Although the WGC is not a mining industry regulatory organization, it worked closely with its member companies to develop these non-GAAP measures. Adoption of the all-in sustaining cost and all-in cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Company may not be comparable to similar measures presented by other issuers. The Company believes that the all-in sustaining cost and all-in cost measures complement existing measures reported by Kinross.

All-in sustaining cost includes both operating and capital costs required to sustain gold production on an ongoing basis. The value of silver sold is deducted from the total production cost of sales as it is considered residual production. Sustaining operating costs represent expenditures incurred at current operations that are considered necessary to maintain current production. Sustaining capital represents capital expenditures at existing operations comprising mine development costs and ongoing replacement of mine equipment and other capital facilities, and does not include capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations.

All-in cost is comprised of all-in sustaining cost as well as operating expenditures incurred at locations with no current operation, or costs related to other non-sustaining activities, and capital expenditures for major growth projects or enhancement capital for significant infrastructure improvements at existing operations.

Attributable all-in sustaining cost and all-in cost per ounce sold on a by-product basis are calculated by adjusting total production cost of sales, as reported on the interim condensed consolidated statement of operations, as follows:

(in millions, except ounces and costs per ounce)	Three months ended March 31,	
	2014	2013
Production cost of sales - as reported	\$ 456.0	\$ 475.7
Less: portion attributable to Chirano non-controlling interest ^(a)	(4.4)	(5.1)
Less: attributable ^(b) silver revenues ^(c)	(24.5)	(61.9)
Attributable ^(b) production cost of sales net of silver by-product revenue	\$ 427.1	\$ 408.7
Adjusting items on an attributable ^(b) basis:		
General and administrative ^(d)	43.2	39.5
Other operating expense - sustaining ^(e)	8.0	13.4
Reclamation and remediation - sustaining ^(f)	14.5	14.9
Exploration and business development - sustaining ^(g)	13.6	24.3
Additions to property, plant and equipment - sustaining ^(h)	91.0	102.1
All-in Sustaining Cost on a by-product basis - attributable ^(b)	\$ 597.4	\$ 602.9
Other operating expense - non-sustaining ^(e)	10.9	10.5
Exploration - non-sustaining ^(g)	9.7	13.9
Additions to property, plant and equipment - non-sustaining ^(h)	47.2	170.6
All-in Cost on a by-product basis - attributable ^(b)	\$ 665.2	\$ 797.9
Gold ounces sold	610,158	613,683
Less: portion attributable to Chirano non-controlling interest ⁽ⁱ⁾	(7,085)	(6,916)
Attributable ^(b) gold ounces sold	603,073	606,767
Attributable ^(b) all-in sustaining cost per ounce sold on a by-product basis	\$ 991	\$ 994
Attributable ^(b) all-in cost per ounce sold on a by-product basis	\$ 1,103	\$ 1,315

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Attributable All-In Sustaining Cost and All-In Cost per Equivalent Ounce Sold

The Company also assesses its all-in sustaining cost and all-in cost on a gold equivalent ounce basis. Under these non-GAAP measures, the Company's production of silver is converted into gold equivalent ounces and credited to total production.

Attributable all-in sustaining cost and all-in cost per equivalent ounce sold are calculated by adjusting total production cost of sales, as reported on the interim condensed consolidated statement of operations, as follows:

(in millions, except ounces and costs per equivalent ounce)	Three months ended March 31,	
	2014	2013
Production cost of sales - as reported	\$ 456.0	\$ 475.7
Less: portion attributable to Chirano non-controlling interest ^(a)	(4.4)	(5.1)
Attributable ^(b) production cost of sales	\$ 451.6	\$ 470.6
Adjusting items on an attributable ^(b) basis:		
General and administrative ^(d)	43.2	39.5
Other operating expense - sustaining ^(e)	8.0	13.4
Reclamation and remediation - sustaining ^(f)	14.5	14.9
Exploration and business development - sustaining ^(g)	13.6	24.3
Additions to property, plant and equipment - sustaining ^(h)	91.0	102.1
All-in Sustaining Cost - attributable ^(b)	\$ 621.9	\$ 664.8
Other operating expense - non-sustaining ^(e)	10.9	10.5
Exploration - non-sustaining ^(g)	9.7	13.9
Additions to property, plant and equipment - non-sustaining ^(h)	47.2	170.6
All-in Cost - attributable ^(b)	\$ 689.7	\$ 859.8
Gold equivalent ounces sold	628,637	652,197
Less: portion attributable to Chirano non-controlling interest ⁽ⁱ⁾	(7,106)	(6,945)
Attributable ^(b) gold equivalent ounces sold	621,531	645,252
Attributable ^(b) all-in sustaining cost per equivalent ounce sold	\$ 1,001	\$ 1,030
Attributable ^(b) all-in cost per equivalent ounce sold	\$ 1,110	\$ 1,333

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

- (a) Portion attributable to Chirano non-controlling interest represents the non-controlling interest (10%) in the production cost of sales for the Chirano mine.
- (b) "Attributable" includes Kinross' share of Chirano (90%) production.
- (c) "Attributable silver revenues" represents the attributable portion of metal sales realized from the production of the secondary or by-product metal (i.e. silver). Revenue from the sale of silver, which is produced as a by-product of the process used to produce gold, effectively reduces the cost of gold production.
- (d) "General and administrative" expenses is as reported on the interim condensed consolidated statement of operations, net of certain severance expenses. General and administrative expenses are considered sustaining costs as they are required to be absorbed on a continuing basis for the effective operation and governance of the Company.
- (e) "Other operating expense – sustaining" is calculated as "Other operating expense" as reported on the interim condensed consolidated statement of operations, less other operating expenses related to non-sustaining activities. Other operating expenses are classified as either sustaining or non-sustaining based on the type and location of the expenditure incurred. The majority of other operating expenses that are incurred at existing operations are considered costs necessary to sustain operations, and are therefore classified as sustaining. Other operating expenses incurred at locations where there is no current operation or related to other non-sustaining activities are classified as non-sustaining.
- (f) "Reclamation and remediation" is calculated as current period accretion related to reclamation and remediation obligations plus current period amortization of the corresponding reclamation and remediation assets, and is intended to reflect the periodic cost of reclamation and remediation for currently operating mines. Reclamation and remediation costs for development projects or closed mines are excluded from this amount and classified as non-sustaining.
- (g) "Exploration and business development – sustaining" is calculated as "Exploration and business development" expenses as reported on the interim condensed consolidated statement of operations, less non-sustaining exploration expenses. Exploration expenses are classified as either sustaining or non-sustaining based on a determination of the type and location of the exploration expenditure. Exploration expenditures within the footprint of operating mines are considered costs required to sustain current operations and so are included in sustaining costs. Exploration expenditures focused on new ore bodies near existing mines (i.e. brownfield), new exploration projects (i.e. greenfield) or for other generative exploration activity not linked to existing mining operations are classified as non-sustaining. Business development expenses are considered sustaining costs as they are required for general operations.
- (h) "Additions to property, plant and equipment – sustaining" represents the majority of capital expenditures at existing operations including capitalized exploration costs, capitalized stripping and underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures and is calculated as total additions to property, plant and equipment (as reported on the interim condensed consolidated statements of cash flows), less capitalized interest and non-sustaining capital. Non-sustaining capital represents capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations. Non-sustaining capital expenditures for the first quarter of 2014 relate to projects at Tasiast, Chirano and Dvoynoye.
- (i) "Portion attributable to Chirano non-controlling interest" represents the non-controlling interest (10%) in the ounces sold for the Chirano mine.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any information as to the future financial or operating performance of Kinross, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain 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 MD&A. Forward-looking statements contained in this MD&A include those under the headings "Outlook" and "Tasiast Feasibility Study", and include, without limitation, statements with respect to: our guidance for production; production costs of sales, all-in sustaining cost and capital expenditures; expected savings pursuant to our cost review and reduction initiatives including, without limitation, the continuation of the Way Forward: modifications to projects and operations and our exploration budget, as well as references to other possible events, the future price of gold and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, 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. The words "efforts", "expects", "estimates", "forecasts", "focus", "guidance", "initiative", "on track", "outlook", "potential", "pursue", "study", or "targets", or variations of or similar such words and phrases or statements that certain actions, events or results "may", "could", "would", or "should", "might", or "will be taken", "will occur" or "will be achieved", and similar such 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. The estimates, models and assumptions of Kinross referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our most recently filed Annual Information Form and our full-year 2013 Management's Discussion and Analysis as well as: (1) there being no significant disruptions affecting the operations of the Company or any entity in which it now or hereafter directly or indirectly holds an investment, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations and expansion at Paracatu (including, without limitation, land acquisitions and permitting for the construction and operation of the new tailings facility) being consistent with our current expectations; (3) the cessation by the Company of further investment and development of the Fruta del Norte deposit and La Zarza mining concession ("FDN") being consistent with Kinross' current expectations including, without limitation, as to the reasonable cooperation of the Government of Ecuador in ensuring an orderly transition with respect to FDN (including, without limitation, any related transactions) that respects the interests of both parties; continuing recognition of the Company's other remaining mining concessions and other assets, rights, titles and interests in Ecuador; the implementation of Ecuador's mining and investment laws (and prospective amendment to these laws) and related regulations and policies; and compliance with, and the implementation and enforcement of, the Canada-Ecuador Agreement for the Promotion and Reciprocal Protection of Investments; (4) political and legal developments in any jurisdiction in which the Company, or any entity in which it now or hereafter directly or indirectly holds an investment, operates being consistent with its current expectations including, without limitation, the impact of escalating political tensions and uncertainty in the Russian Federation and Ukraine or any related sanctions and any other similar restrictions or penalties imposed by any government, the transition period as we reduce our level of activity in Ecuador and any potential amendments to the Brazilian Mining Code, the Mauritanian Mining Code, the Mauritanian Customs Code, the Mauritanian VAT regime and water legislation or other water use restrictions in Chile, being consistent with Kinross' current expectations; (5) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold and silver; (7) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (8) production and cost of sales forecasts for the Company, and entities in which it now or hereafter directly or indirectly holds an investment, meeting expectations; (9) the accuracy of the current mineral reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates); (10) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (11) the development of, operations at and production from the Company's operations, including but not limited to ramp up at and production from Dvoynoye and permitting, development and expansion at Tasiast (including but not limited to, expansion optimization initiatives which may lead to changes in processing approach and maintenance, the timing of completion and results of the Tasiast feasibility study, and conversion of adjacent exploration licences to mining licences) being consistent with Kinross' current expectations; (12) the terms and conditions of the legal and fiscal stability agreements for the Tasiast and Chirano operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; (13) goodwill and/or asset impairment potential; and (14) access to capital markets, including but not limited to maintaining an investment grade debt rating and, as required, securing and maintaining partial project financing for Dvoynoye, Kupol and any expansion at Tasiast, being consistent with the Company's current expectations. 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: sanctions (any other similar restrictions or penalties) now or subsequently imposed by, against, in respect of or otherwise impacting any jurisdiction in which the Company is domiciled or operates (including but not limited to the Russian Federation, Canada, the European Union and the United States), or any government or citizens of, persons or companies domiciled in, or the Company's business, operations or other activities in, any such jurisdiction; our ability to successfully cease further investment in and development of FDN and, in cooperation with the Government of Ecuador, successfully complete an orderly transition with respect to FDN that is respectful of the interests of both parties and does not impose on the Company (and/or any of its directors, officers or employees) any unreasonable obligations or liabilities; litigation commenced, or other claims or actions brought, against the Company (and/or any of its directors, officers or employees) in respect of the cessation by the Company of further investment in and development of FDN, or any of the Company's prior or continuing activities on or in respect thereof or otherwise in Ecuador; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as fuel and electricity); changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group gold producers and the Company, and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold or silver prices and lease rates, or global fuel prices, that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any financial obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation (including but not limited to income tax, advance income tax, stamp tax, withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, royalty, excise tax, customs/import or export taxes/duties, asset taxes, asset transfer tax, property use or other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies and regulations; the security of personnel and assets; political or economic developments in Canada, the United States, Chile, Brazil, Russia, Ecuador, Mauritania, Ghana, or other countries in which Kinross, or entities in which it now or hereafter directly or indirectly holds an interest, do business or may carry on business; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions and complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; litigation against the Company including, but not limited to, securities class action litigation in Canada and/or the United States; the speculative nature of gold exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards,

KINROSS GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2014

industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly 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, including but not limited to resulting in an impairment charge on goodwill and/or assets. 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. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada and the United States including, but not limited to, the cautionary statements made in the "Risk Factors" section of our most recently filed Annual Information Form and full-year 2013 Management Discussion and Analysis. 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.

Key Sensitivities

Approximately 60%-70% of the Company's costs are denominated in U.S. dollars.

A 10% change in foreign exchange could result in an approximate \$12 impact in production cost of sales per ounce².

A \$10 per barrel change in the price of oil could result in an approximate \$3 impact on production cost of sales per ounce.

The impact on royalties of a \$100 change in the gold price could result in an approximate \$3 impact on production cost of sales per ounce.

Other information

Where we say "we", "us", "our", the "Company", or "Kinross" in this MD&A, 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 material mineral properties contained in this MD&A has been prepared under the supervision of and verified by Mr. John Sims, an officer of the Company, who is a "qualified person" within the meaning of National Instrument 43-101.

² Refers to all of the currencies in the countries where the Company has mining operations, fluctuating simultaneously by 10% in the same direction, either appreciating or depreciating, taking into consideration the impact of hedging and the weighting of each currency within our consolidated cost structure.

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited expressed in millions of United States dollars, except share amounts)

		As at	
		March 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	Note 5	\$ 704.0	\$ 734.5
Restricted cash	Note 5	59.8	59.0
Accounts receivable and other assets	Note 5	260.3	284.3
Inventories	Note 5	1,340.3	1,322.9
Unrealized fair value of derivative assets	Note 7	1.9	5.1
		<u>2,366.3</u>	<u>2,405.8</u>
Non-current assets			
Property, plant and equipment	Note 5	6,514.3	6,582.7
Goodwill	Note 5	308.0	308.0
Long-term investments	Note 5	27.0	20.4
Investments in associate and joint venture	Note 6	315.0	315.2
Unrealized fair value of derivative assets	Note 7	0.2	0.6
Deferred charges and other long-term assets	Note 5	503.3	490.5
Deferred tax assets		132.2	163.5
Total assets		<u>\$ 10,166.3</u>	<u>\$ 10,286.7</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	Note 5	\$ 450.9	\$ 544.5
Current tax payable		23.6	27.0
Current portion of long-term debt	Note 9	65.5	60.0
Current portion of provisions	Note 10	32.9	40.1
Current portion of unrealized fair value of derivative liabilities	Note 7	26.3	41.3
		<u>599.2</u>	<u>712.9</u>
Non-current liabilities			
Long-term debt	Note 9	2,025.4	2,059.6
Provisions	Note 10	694.4	683.9
Unrealized fair value of derivative liabilities	Note 7	8.6	14.0
Other long-term liabilities		158.5	192.7
Deferred tax liabilities		539.3	533.7
Total liabilities		<u>4,025.4</u>	<u>4,196.8</u>
Equity			
Common shareholders' equity			
Common share capital and common share purchase warrants	Note 11	\$ 14,751.1	\$ 14,737.1
Contributed surplus		75.3	84.5
Accumulated deficit		(8,741.5)	(8,771.1)
Accumulated other comprehensive income (loss)	Note 5	(19.5)	(36.5)
Total common shareholders' equity		<u>6,065.4</u>	<u>6,014.0</u>
Non-controlling interest		75.5	75.9
Total equity		<u>6,140.9</u>	<u>6,089.9</u>
Commitments and contingencies	Note 15		
Total liabilities and equity		<u>\$ 10,166.3</u>	<u>\$ 10,286.7</u>
Common shares			
Authorized		Unlimited	Unlimited
Issued and outstanding	Note 11	1,144,382,795	1,143,428,055

The accompanying notes are an integral part of these interim condensed consolidated financial statements

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited expressed in millions of United States dollars, except share and per share amounts)

	Three months ended	
	March 31, 2014	March 31, 2013 Note 4
Revenue		
Metal sales	\$ 817.4	\$ 1,058.1
Cost of sales		
Production cost of sales	456.0	475.7
Depreciation, depletion and amortization	196.4	227.7
Total cost of sales	652.4	703.4
Gross profit	165.0	354.7
Other operating expense	17.7	24.0
Exploration and business development	22.7	38.5
General and administrative	43.2	39.5
Operating earnings	81.4	252.7
Other income (expense) - net	(6.2)	(8.4)
Equity in earnings (losses) of associate and joint venture	(1.3)	(0.9)
Finance income	1.4	2.0
Finance expense	(12.8)	(8.6)
Earnings before tax	62.5	236.8
Income tax expense - net	(31.1)	(72.8)
Earnings from continuing operations after tax	31.4	164.0
Loss from discontinued operations after tax	(2.2)	(1.9)
Net earnings	\$ 29.2	\$ 162.1
Net earnings (loss) from continuing operations attributable to:		
Non-controlling interest	\$ (0.4)	\$ 1.6
Common shareholders	\$ 31.8	\$ 162.4
Net earnings (loss) attributable to:		
Non-controlling interest	\$ (0.4)	\$ 1.6
Common shareholders	\$ 29.6	\$ 160.5
Earnings per share from continuing operations attributable to common shareholders		
Basic	\$ 0.03	\$ 0.14
Diluted	\$ 0.03	\$ 0.14
Earnings per share attributable to common shareholders		
Basic	\$ 0.03	\$ 0.14
Diluted	\$ 0.03	\$ 0.14
Weighted average number of common shares outstanding Note 13 (millions)		
Basic	1,143.8	1,140.6
Diluted	1,151.1	1,147.2

The accompanying notes are an integral part of these interim condensed consolidated financial statements

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited expressed in millions of United States dollars)

	Three months ended	
	March 31, 2014	March 31, 2013 Note 4
Net earnings	\$ 29.2	\$ 162.1
Other comprehensive income (loss), net of tax:		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:		
Change in fair value of investments ^(a)	6.6	(9.5)
Reclassification to earnings for impairment charges	-	5.6
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(b)	1.5	11.0
Accumulated other comprehensive income (loss) related to derivatives settled ^(c)	8.9	(1.9)
	17.0	5.2
Total comprehensive income	\$ 46.2	\$ 167.3
Comprehensive income from continuing operations	\$ 48.4	\$ 169.2
Comprehensive loss from discontinued operations	(2.2)	(1.9)
Total comprehensive income	\$ 46.2	\$ 167.3
Attributable to non-controlling interest	\$ (0.4)	\$ 1.6
Attributable to common shareholders	\$ 46.6	\$ 165.7

(a) Net of tax of \$nil (2013 - \$0.7 million)

(b) Net of tax of \$5.3 million (2013 - \$5.4 million)

(c) Net of tax of \$2.8 million (2013 - \$nil)

The accompanying notes are an integral part of these interim condensed consolidated financial statements

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited expressed in millions of United States dollars)

	Three months ended	
	March 31, 2014	March 31, 2013
Net inflow (outflow) of cash related to the following activities:		Note 4
Operating:		
Net earnings from continuing operations	\$ 31.4	\$ 164.0
Adjustments to reconcile net earnings from continuing operations to net cash provided from (used in) operating activities:		
Depreciation, depletion and amortization	196.4	227.7
Gains on sale of other assets - net	(0.4)	(0.8)
Impairment of investments	-	5.6
Equity in losses (earnings) of associate and joint venture	1.3	0.9
Non-hedge derivative loss - net	3.4	-
Settlement of derivative instruments	-	0.2
Share-based compensation expense	7.2	8.7
Accretion expense	9.6	5.4
Deferred tax (recovery) expense	28.8	(20.8)
Foreign exchange (gains) losses and other	(38.7)	22.8
Changes in operating assets and liabilities:		
Accounts receivable and other assets	50.0	29.1
Inventories	(23.4)	(34.9)
Accounts payable and accrued liabilities	(10.8)	33.0
Cash flow provided from operating activities	254.8	440.9
Income taxes paid	(44.3)	(75.6)
Net cash flow of continuing operations provided from operating activities	210.5	365.3
Net cash flow of discontinued operations used in operating activities	(2.4)	(7.2)
Investing:		
Additions to property, plant and equipment	(168.9)	(309.5)
Net additions to long-term investments and other assets	(29.5)	(24.5)
Net proceeds from the sale of property, plant and equipment	1.1	1.3
Disposals of short-term investments	-	349.8
Increase in restricted cash	(0.8)	-
Interest received	1.4	2.1
Net cash flow of continuing operations provided from (used in) investing activities	(196.7)	19.2
Net cash flow of discontinued operations used in investing activities	-	(8.3)
Financing:		
Issuance of common shares on exercise of options and warrants	0.1	1.6
Proceeds from issuance of debt	622.4	-
Repayment of debt	(654.0)	(487.0)
Interest paid	(1.9)	(1.5)
Dividends paid to common shareholders	-	(91.3)
Settlement of derivative instruments	(2.1)	-
Other	0.4	-
Net cash flow of continuing operations used in financing activities	(35.1)	(578.2)
Net cash flow of discontinued operations used in financing activities	-	-
Effect of exchange rate changes on cash and cash equivalents of continuing operations	(6.8)	(2.7)
Decrease in cash and cash equivalents	(30.5)	(211.9)
Cash and cash equivalents, beginning of period	734.5	1,632.7
Cash and cash equivalents, end of period	\$ 704.0	\$ 1,420.8

The accompanying notes are an integral part of these interim condensed consolidated financial statements

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited expressed in millions of United States dollars)

	Three months ended	
	March 31, 2014	March 31, 2013
Common share capital and common share purchase warrants		
Balance beginning of period	\$ 14,737.1	\$ 14,692.5
Common shares issued under employee share purchase plans	-	1.9
Transfer from contributed surplus on exercise of options and restricted shares	13.9	18.1
Options and warrants exercised, including cash	0.1	0.4
Balance at the end of the period	\$ 14,751.1	\$ 14,712.9
Contributed surplus		
Balance beginning of period	\$ 84.5	\$ 89.9
Share-based compensation	7.2	8.0
Transfer of fair value of exercised options and restricted shares	(16.4)	(18.1)
Balance at the end of the period	\$ 75.3	\$ 79.8
Accumulated deficit		
Balance beginning of period	\$ (8,771.1)	\$ (4,937.1)
Dividends paid	-	(91.3)
Net earnings attributable to common shareholders	29.6	160.5
Balance at the end of the period	\$ (8,741.5)	\$ (4,867.9)
Accumulated other comprehensive income (loss)		
Balance beginning of period	\$ (36.5)	\$ 4.9
Other comprehensive income	17.0	5.2
Balance at the end of the period	\$ (19.5)	\$ 10.1
Total accumulated deficit and accumulated other comprehensive income (loss)	\$ (8,761.0)	\$ (4,857.8)
Total common shareholders' equity	\$ 6,065.4	\$ 9,934.9
Non-controlling interest		
Balance beginning of period	\$ 75.9	\$ 75.5
Net earnings (loss) attributable to non-controlling interest	(0.4)	1.6
Balance at the end of the period	\$ 75.5	\$ 77.1
Total equity	\$ 6,140.9	\$ 10,012.0

The accompanying notes are an integral part of these interim condensed consolidated financial statements

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2014 and 2013

(Unaudited and tabular amounts in millions of United States dollars)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Kinross Gold Corporation and its subsidiaries and joint venture (collectively, "Kinross" or the "Company") are engaged in gold mining and related activities, including exploration and acquisition of gold-bearing properties, extraction and processing of gold-containing ore and reclamation of gold mining properties. Kinross Gold Corporation, the ultimate parent, is a public company incorporated and domiciled in Canada with its registered office at 25 York Street, 17th floor, Toronto, Ontario, Canada, M5J 2V5. Kinross' gold production and exploration activities are carried out principally in Canada, the United States, the Russian Federation, Brazil, Chile, Ghana and Mauritania. Gold is produced in the form of doré, which is shipped to refineries for final processing. Kinross also produces and sells a quantity of silver. The Company is listed on the Toronto Stock Exchange and the New York Stock Exchange.

The interim condensed consolidated financial statements of the Company for the period ended March 31, 2014 were authorized for issue in accordance with a resolution of the board of directors on May 7, 2014.

2. BASIS OF PRESENTATION

These unaudited interim condensed consolidated financial statements ("interim financial statements") have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). The accounting policies applied in these interim financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended December 31, 2013.

These interim financial statements do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual audited consolidated financial statements and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2013 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

3. SIGNIFICANT ESTIMATES AND ASSUMPTIONS

Significant Judgments, Accounting Estimates and Assumptions

The preparation of these interim financial statements requires the use of certain significant accounting estimates and judgments by management in applying the Company's accounting policies. The areas involving significant judgments and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2013.

KINROSS GOLD CORPORATION

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4. DISCONTINUED OPERATIONS

Fruta del Norte

On June 10, 2013, the Company announced that it would not proceed with further development of the Fruta del Norte ("FDN") project in Ecuador as the government of Ecuador and Kinross were unable to agree on certain key economic and legal terms.

Kinross' decision to cease the development of FDN resulted in a charge of \$720.0 million in the second quarter of 2013, of which \$714.7 million reflected the Company's net carrying value of the FDN project, and \$5.3 million represented severance and closure costs.

Loss from FDN

	Three months ended March 31,	
	2014	2013
Results of discontinued operation		
Revenues	\$ -	\$ -
Expenses	2.2	1.9
Loss before tax	(2.2)	(1.9)
Income tax expense	-	-
Loss and other comprehensive loss from discontinued operation after tax	\$ (2.2)	\$ (1.9)
Loss per share from discontinued operation attributable to common shareholders		
Basic	\$ (0.00)	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)

Cash flows from FDN

	Three months ended March 31,	
	2014	2013
Cash flows of discontinued operation:		
Net cash flow used in operating activities	\$ (2.4)	\$ (7.2)
Net cash flow used in investing activities	-	(8.3)
Net cash flow used in financing activities	-	-
Net cash flow of discontinued operation	\$ (2.4)	\$ (15.5)

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5. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT DETAILS

Interim Condensed Consolidated Balance Sheets

i. Cash and cash equivalents:

	March 31, 2014	December 31, 2013
Cash on hand and balances with banks	\$ 391.1	\$ 420.2
Short-term deposits	312.9	314.3
	\$ 704.0	\$ 734.5

Restricted cash:

	March 31, 2014	December 31, 2013
Restricted cash ^(a)	\$ 59.8	\$ 59.0

(a) Restricted cash relates to restricted payments for the Kupol loan (see Note 9 (iii)), loan escrow judicial deposits and letters of guarantee for default protection and environmental indemnity related to Chirano and certain other sites.

ii. Accounts receivable and other assets:

	March 31, 2014	December 31, 2013
Trade receivables	\$ 4.4	\$ 8.2
Taxes recoverable	86.8	81.3
Prepaid expenses	13.2	17.9
VAT receivable	88.8	90.8
Other ^(a)	67.1	86.1
	\$ 260.3	\$ 284.3

(a) Includes deposits of \$42.1 million (December 31, 2013 - \$49.7 million).

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iii. Inventories:

	March 31, 2014	December 31, 2013
Ore in stockpiles ^(a)	\$ 354.7	\$ 331.9
Ore on leach pads ^(b)	373.7	380.3
In-process	86.5	95.4
Finished metal	112.3	83.3
Materials and supplies	775.1	797.6
	1,702.3	1,688.5
Provision for impairment of inventory ^(c)	(154.1)	(170.7)
	1,548.2	1,517.8
Long-term portion of ore in stockpiles and ore on leach pads ^{(a),(b)}	(207.9)	(194.9)
	\$ 1,340.3	\$ 1,322.9

(a) Ore in stockpiles relates to the Company's operating mines. Ore in stockpiles includes low-grade material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the interim condensed consolidated balance sheet. See deferred charges and other long-term assets, Note 5 vii.

(b) Ore on leach pads relates to the Company's Maricunga, Tasiast, Fort Knox, and 50% owned Round Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Maricunga in 2019, Tasiast in 2023, Fort Knox in 2020, and 50% owned Round Mountain in 2018. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the interim condensed consolidated balance sheet. See deferred charges and other long-term assets, Note 5 vii.

(c) Provision for impairment of inventory relates to impairment charges recorded within cost of sales to reduce the carrying value of inventory to its net realizable value.

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iv. Property, plant and equipment:

	Mineral Interests ^(b)			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2014	\$ 6,699.3	\$ 8,172.3	\$ 177.4	\$ 15,049.0
Additions	63.5	55.2	-	118.7
Acquisitions	-	-	-	-
Capitalized interest	6.9	11.7	-	18.6
Disposals	(3.1)	-	-	(3.1)
Other	(5.6)	1.1	-	(4.5)
Balance at March 31, 2014	6,761.0	8,240.3	177.4	15,178.7
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2014	\$ (3,589.9)	\$ (4,876.4)	\$ -	\$ (8,466.3)
Depreciation, depletion and amortization	(88.3)	(112.0)	-	(200.3)
Disposals	2.4	-	-	2.4
Other	(0.7)	0.5	-	(0.2)
Balance at March 31, 2014	(3,676.5)	(4,987.9)	-	(8,664.4)
Net book value	\$ 3,084.5	\$ 3,252.4	\$ 177.4	\$ 6,514.3
Amount included above as at March 31, 2014:				
Assets under construction	\$ 516.8	\$ 96.5	\$ -	\$ 613.3
Assets not being depreciated ^(a)	\$ 688.0	\$ 728.3	\$ 177.4	\$ 1,593.7

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At March 31, 2014, the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, Maricunga, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, and Lobo-Marté. Included in pre-development properties are White Gold and other exploration properties.

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	Mineral Interests ^(b)			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2013	\$ 5,720.9	\$ 7,810.3	\$ 177.6	\$ 13,708.8
Additions	980.0	299.0	-	1,279.0
Acquisitions	-	-	-	-
Capitalized interest	58.2	24.4	-	82.6
Disposals	(27.9)	-	-	(27.9)
Other	(31.9)	38.6	(0.2)	6.5
Balance at December 31, 2013	6,699.3	8,172.3	177.4	15,049.0
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2013	\$ (1,897.4)	\$ (2,843.3)	\$ -	\$ (4,740.7)
Depreciation, depletion and amortization	(416.7)	(444.0)	-	(860.7)
Impairment charge ^(c)	(1,231.5)	(1,652.1)	-	(2,883.6)
Disposals	20.2	-	-	20.2
Other	(64.5)	63.0	-	(1.5)
Balance at December 31, 2013	(3,589.9)	(4,876.4)	-	(8,466.3)
Net book value	\$ 3,109.4	\$ 3,295.9	\$ 177.4	\$ 6,582.7
Amount included above as at December 31, 2013:				
Assets under construction	\$ 581.9	\$ 132.4	\$ -	\$ 714.3
Assets not being depreciated ^(a)	\$ 751.3	\$ 2,143.9	\$ 177.4	\$ 3,072.6

(a) Assets not being depreciated relate to land, capitalized exploration and evaluation costs, assets under construction, which are the construction of expansion projects, and other assets that are in various stages of being readied for use.

(b) At December 31, 2013, the significant development and operating properties included Fort Knox, Round Mountain, Paracatu, Maricunga, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, and Lobo-Marté. Included in pre-development properties are White Gold and other exploration properties.

(c) During 2013, impairment charges were recorded against property, plant and equipment at Fruta del Norte (see Note 4), Round Mountain, Maricunga, Tasiast and Lobo-Marté.

Land, plant and equipment with a carrying amount of \$151.3 million (December 31, 2013 - \$154.7 million) are pledged as security as part of the Kupol loan. See Note 9 (iii).

Capitalized interest relates to capital expenditures at Fort Knox, Kettle River-Buckhorn, Round Mountain, Maricunga, La Coipa, Paracatu, Kupol, Chirano and Tasiast and had a weighted average borrowing rate of 1.01% and 1.15% during the three months ended March 31, 2014 and 2013, respectively.

At March 31, 2014, \$660.5 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2013 - \$660.5 million). During the three months ended March 31, 2014, the Company acquired \$nil of E&E assets, capitalized \$nil in E&E costs and transferred \$nil from E&E assets to capitalized development.

During the three months ended March 31, 2014, the Company expensed \$0.9 million (three months ended March 31, 2013 - \$0.6 million), of E&E expenditures. The Company recognized property, plant and equipment impairment charges related to E&E assets for the three months ended March 31, 2014 of \$nil (three months ended March 31, 2013 - \$nil).

The Company had cash expenditures for E&E included in operating cash flows for the three months ended March 31, 2014 of \$0.9 million (three months ended March 31, 2013 - \$0.6 million), and investing cash flows for the three months ended March 31, 2014 of \$nil (three months ended March 31, 2013 - \$nil).

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v. Goodwill:

The goodwill allocated to the Company's cash generating units ("CGUs") and included in the respective operating segment assets is shown in the table below:

	Round			Kettle River				Other			Total
	Mountain	Paracatu	La Coipa	- Buckhorn	Kupol	Maricunga	Tasiast	Chirano	Operations ^(b)		
Cost											
Balance at January 1, 2014	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 4,620.4	\$ 918.6	\$ 278.2	\$ 7,562.5	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2014	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 4,620.4	\$ 918.6	\$ 278.2	\$ 7,562.5	
Accumulated impairment											
Balance at January 1, 2014	\$ (145.9)	\$ (164.9)	\$ (65.9)	\$ -	\$ (668.4)	\$ (396.1)	\$ (4,620.4)	\$ (918.6)	\$ (274.3)	\$ (7,254.5)	
Impairment loss	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance at March 31, 2014	\$ (145.9)	\$ (164.9)	\$ (65.9)	\$ -	\$ (668.4)	\$ (396.1)	\$ (4,620.4)	\$ (918.6)	\$ (274.3)	\$ (7,254.5)	
Carrying amount at March 31, 2014	\$ -	\$ -	\$ 124.4	\$ 20.9	\$ 158.8	\$ -	\$ -	\$ -	\$ 3.9	\$ 308.0	
	Round			Kettle River				Other			Total
	Mountain	Paracatu	La Coipa	- Buckhorn	Kupol	Maricunga	Tasiast	Chirano	Operations ^(b)		
Cost											
Balance at January 1, 2013	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 4,620.4	\$ 918.6	\$ 278.2	\$ 7,562.5	
Acquisitions	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance at December 31, 2013	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 4,620.4	\$ 918.6	\$ 278.2	\$ 7,562.5	
Accumulated impairment											
Balance at January 1, 2013	\$ (87.2)	\$ (99.4)	\$ (65.9)	\$ -	\$ (668.4)	\$ (220.2)	\$ (4,620.4)	\$ (558.8)	\$ (105.5)	\$ (6,425.8)	
Impairment loss ^(a)	(58.7)	(65.5)	-	-	-	(175.9)	-	(359.8)	(168.8)	(828.7)	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance at December 31, 2013	\$ (145.9)	\$ (164.9)	\$ (65.9)	\$ -	\$ (668.4)	\$ (396.1)	\$ (4,620.4)	\$ (918.6)	\$ (274.3)	\$ (7,254.5)	
Carrying amount at December 31, 2013	\$ -	\$ -	\$ 124.4	\$ 20.9	\$ 158.8	\$ -	\$ -	\$ -	\$ 3.9	\$ 308.0	

(a) At June 30, 2013, it was determined that the carrying amounts of Round Mountain, Paracatu, Maricunga and Chirano exceeded their recoverable amounts. At December 31, 2013, as part of the annual impairment test for goodwill, it was determined that the carrying amount of Quebrada Seca exceeded its recoverable amount.

(b) At March 31, 2014 and December 31, 2013, other operations include goodwill related to Jiboia.

vi. Long-term investments:

Unrealized gains and losses on investments classified as available-for-sale are recorded in accumulated other comprehensive income ("AOCI") as follows:

	March 31, 2014				December 31, 2013			
	Gains (losses) in		Gains (losses) in		Gains (losses) in		Gains (losses) in	
	Fair value	AOCI	Fair value	AOCI	Fair value	AOCI	Fair value	AOCI
Investments in an unrealized gain position	\$ 23.9	\$ 7.7	\$ 17.6	\$ 1.6	\$ 17.6	\$ 1.6	\$ 17.6	\$ 1.6
Investments in an unrealized loss position	\$ 3.1	\$ (1.7)	\$ 2.8	\$ (2.2)	\$ 2.8	\$ (2.2)	\$ 2.8	\$ (2.2)
	\$ 27.0	\$ 6.0	\$ 20.4	\$ (0.6)	\$ 20.4	\$ (0.6)	\$ 20.4	\$ (0.6)

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vii. Deferred charges and other long-term assets:

	March 31, 2014	December 31, 2013
Long-term portion of ore in stockpiles and ore on leach pads ^(a)	\$ 207.9	\$ 194.9
Deferred charges, net of amortization	8.0	8.5
Long-term receivables	217.0	209.4
Advances for the purchase of capital equipment	31.2	46.8
Other	39.2	30.9
	\$ 503.3	\$ 490.5

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. Long-term ore in stockpiles is at the Company's Fort Knox, Kupol, Tasiast, Maricunga and Paracatu mines. At March 31, 2014 and December 31, 2013, long-term ore on leach pads was at the Company's Fort Knox mine.

viii. Accounts payable and accrued liabilities:

	March 31, 2014	December 31, 2013
Trade payables	\$ 99.9	\$ 118.3
Accrued liabilities	267.2	307.3
Employee related accrued liabilities	83.8	118.9
	\$ 450.9	\$ 544.5

ix. Accumulated other comprehensive income (loss):

	Long-term Investments ^(a)	Derivative Contracts ^(b)	Total
Balance at December 31, 2012	\$ 7.2	\$ (2.3)	\$ 4.9
Other comprehensive loss before tax	(9.0)	(43.8)	(52.8)
Tax	1.2	10.2	11.4
Balance at December 31, 2013	\$ (0.6)	\$ (35.9)	\$ (36.5)
Other comprehensive income before tax	6.6	18.5	25.1
Tax	-	(8.1)	(8.1)
Balance at March 31, 2014	\$ 6.0	\$ (25.5)	\$ (19.5)

(a) Balance at December 31, 2012 net of tax of \$5.9 million

(b) Balance at December 31, 2012 net of tax of \$(34.5) million

Interim Condensed Consolidated Statements of Operations

x. Other income (expense) – net:

	Three months ended March 31,	
	2014	2013
Gains on sale of other assets - net	\$ 0.4	\$ 0.8
Impairment of investments ^(a)	-	(5.6)
Foreign exchange losses	(8.3)	(3.6)
Net non-hedge derivative losses	(3.4)	-
Other	5.1	-
	\$ (6.2)	\$ (8.4)

(a) The Company recognized impairment losses on certain of its available-for-sale investments during the three months ended March 31, 2013.

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xi. Equity in earnings (losses) of associate and joint venture:

	Three months ended March 31,	
	2014	2013
Cerro Casale ^(a)	\$ (1.4)	\$ (0.9)
Puren ^(a)	0.1	-
	\$ (1.3)	\$ (0.9)

(a) Represents Kinross' share of the net earnings (loss) and other comprehensive income (loss).

xii. Finance expense:

	Three months ended March 31,	
	2014	2013
Accretion on reclamation and remediation obligation	\$ (7.0)	\$ (4.4)
Interest expense, including accretion on debt ^(a)	(5.8)	(4.2)
	\$ (12.8)	\$ (8.6)

(a) During the three months ended March 31, 2014, \$18.6 million (three months ended March 31, 2013 - \$27.0 million) of interest was capitalized to property, plant and equipment. See Note 5 iv.

Total interest paid, including interest capitalized, during the three months ended March 31, 2014 was \$31.8 million (three months ended March 31, 2013 - \$36.3 million).

6. INVESTMENTS IN ASSOCIATE AND JOINT VENTURE

The investments in associate and joint venture are accounted for under the equity method and had the following carrying values:

	March 31, 2014	December 31, 2013
Cerro Casale	\$ 297.4	\$ 297.7
Puren	17.6	17.5
	\$ 315.0	\$ 315.2

There are no publicly quoted market prices for Cerro Casale and Puren.

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7. FAIR VALUE MEASUREMENT

(a) Recurring fair value measurement:

Carrying values for financial instruments, including cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities.

Fair value estimates for derivative contracts, except as noted below, 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 the consolidated balance sheet date.

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing their classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Assets (liabilities) measured at fair value on a recurring basis as at March 31, 2014 include:

	Level 1	Level 2	Level 3	Aggregate Fair Value
Available-for-sale investments	\$ 27.0	\$ -	\$ -	\$ 27.0
Derivative contracts:				
Interest rate swaps	-	(1.3)	-	(1.3)
Foreign currency forward contracts	-	(32.8)	-	(32.8)
Energy swap contracts	-	2.1	-	2.1
Total return swap	-	(0.8)	-	(0.8)
	\$ 27.0	\$ (32.8)	\$ -	\$ (5.8)

During the three months ended March 31, 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The valuation techniques that are used to measure fair value are as follows:

Available-for-sale investments:

The fair value of available-for-sale investments is determined based on a market approach reflecting the closing price of each particular security at the consolidated balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore available-for-sale investments are classified within Level 1 of the fair value hierarchy.

Derivative contracts:

The Company's derivative contracts are valued using pricing models and the Company generally uses similar models to value similar instruments. Such pricing models require a variety of inputs, including contractual cash flows, market prices, applicable yield curves and credit spreads. The fair value of derivative contracts is based on quoted market prices for comparable contracts and represents the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the quoted market rates in effect at the consolidated balance sheet date and therefore derivative contracts are classified within Level 2 of the fair value hierarchy.

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The following table summarizes information about derivative contracts outstanding at March 31, 2014 and December 31, 2013:

	March 31, 2014		December 31, 2013	
	Asset / (Liability)		Asset / (Liability)	
	Fair Value	AOCI	Fair Value	AOCI
Interest rate contracts				
Interest rate swaps ^(a) (i)	\$ (1.3)	\$ (1.6)	\$ (2.9)	\$ (2.9)
Currency contracts				
Foreign currency forward contracts ^(b)	(32.8)	(24.7)	(48.9)	(34.1)
Commodity contracts				
Energy swap contracts ^(c)	2.1	0.8	2.7	1.1
Other contracts				
Total return swap	(0.8)	-	(0.5)	-
Total all contracts	\$ (32.8)	\$ (25.5)	\$ (49.6)	\$ (35.9)
Unrealized fair value of derivative assets				
Current	1.9		5.1	
Non-current	0.2		0.6	
	\$ 2.1		\$ 5.7	
Unrealized fair value of derivative liabilities				
Current	(26.3)		(41.3)	
Non-current	(8.6)		(14.0)	
	\$ (34.9)		\$ (55.3)	
Total net fair value	\$ (32.8)		\$ (49.6)	

(a) Of the total amount recorded in AOCI, \$(0.2) million will be reclassified to net earnings within the next 12 months.

(b) Of the total amount recorded in AOCI, \$(19.1) million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(c) Of the total amount recorded in AOCI, \$0.8 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(i) Interest rate swaps

When the floating rate term loan was originally arranged in August 2012 (see Note 9(i)), the Company entered into interest rate swaps to swap the underlying 1-month LIBOR interest rate into a fixed rate of 0.49% for the original three year term ending August 10, 2015. Concurrent with the repayment of \$500.0 million of the term loan on March 10, 2014, the Company closed out 60% of these interest rate swaps. The remaining outstanding interest rate swaps continue to hedge 80% of the remaining underlying floating rate term loan.

(b) Fair value of financial assets and liabilities not measured and recognized at fair value:

Long-term debt is measured at amortized cost. The fair value of long-term debt is primarily measured using market determined variables, and therefore was classified within Level 2 of the fair value hierarchy. See Note 9.

8. CAPITAL AND FINANCIAL RISK MANAGEMENT

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The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, while maximizing the return to shareholders through the optimization of debt and equity financing. The Board of Directors has established a number of quantitative measures related to the management of capital. Management continuously monitors its capital position and periodically reports to the Board of Directors.

The Company's operations are sensitive to changes in commodity prices, foreign exchange and interest rates. The Company manages its exposure to changes in currency exchange rates, energy and interest rates by periodically entering into derivative contracts in accordance with the formal risk management policy approved by the Company's Board of Directors. The Company's practice is to not hedge metal sales. However, in certain circumstances the Company may use derivative contracts to hedge against the risk of falling prices for a portion of its forecasted metal sales. The Company may also assume derivative contracts as part of a business acquisition or they may be required under financing arrangements.

All of the Company's hedges are cash flow hedges. The Company applies hedge accounting whenever hedging relationships exist and have been documented.

Capital management

The Company's objectives when managing capital are to:

- Ensure the Company has sufficient cash available to support the mining, exploration, and other areas of the business in any gold price environment;
- Ensure the Company has the capital and capacity to support a long-term growth strategy;
- Provide investors with a superior rate of return on their invested capital;
- Ensure compliance with all bank covenant ratios; and
- Minimize counterparty credit risk.

Kinross adjusts its capital structure based on changes in forecasted economic conditions and based on its long-term strategic business plan. Kinross has the ability to adjust its capital structure by issuing new equity, drawing on existing credit facilities, issuing new debt, and by selling or acquiring assets. Kinross can also control how much capital is returned to shareholders through dividends and share buybacks.

The Company is not subject to any externally imposed capital requirements.

The Company's quantitative capital management objectives are largely driven by the requirements under its debt agreements and its total debt to total debt and common shareholders' equity ratio as noted in the table below:

	March 31, 2014	December 31, 2013
Long-term debt	\$ 2,025.4	\$ 2,059.6
Current portion of long-term debt	65.5	60.0
Total debt	2,090.9	2,119.6
Common shareholders' equity	6,065.4	6,014.0
Total debt / total debt and common shareholders' equity ratio	25.6%	26.1%
Company target	0 – 30%	0 – 30%

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9. LONG-TERM DEBT AND CREDIT FACILITIES

		Interest Rates	March 31, 2014				December 31, 2013	
			Nominal Amount	Deferred Financing Costs	Carrying Amount ^(a)	Fair Value ^(b)	Carrying Amount ^(a)	Fair Value ^(b)
Corporate term loan facility	(i)	Variable	\$ 500.0	\$ (1.8)	\$ 498.2	\$ 498.2	\$ 996.0	\$ 996.0
Senior notes	(ii)	3.625%- 6.875%	1,492.7	(14.0)	1,478.7	1,500.8	985.4	965.9
Kupol loan	(iii)	Variable	110.0	(1.5)	108.5	108.5	138.2	138.2
Other	(iv)	0.39%	5.5	-	5.5	5.5	-	-
			2,108.2	(17.3)	2,090.9	2,113.0	2,119.6	2,100.1
Less: current portion			(65.5)	-	(65.5)	(65.5)	(60.0)	(60.0)
Long-term debt			\$ 2,042.7	\$ (17.3)	\$ 2,025.4	\$ 2,047.5	\$ 2,059.6	\$ 2,040.1

(a) Includes transaction costs on debt financings.

(b) The fair value of debt is primarily determined using quoted market prices. See Note 7 (b).

(i) Corporate revolving credit and term loan facilities

In August 2012, the Company completed a new unsecured term loan facility for \$1,000.0 million. The facility was set to mature on August 10, 2015, with the full amount having been drawn on August 22, 2012. Also in August 2012, under the same agreement, the Company amended the revolving credit facility increasing the available amount to \$1,500.0 million and extending the maturity date from March 2015 to August 2017.

On June 10, 2013, the Company amended its \$1,500.0 million revolving credit facility and \$1,000.0 million term loan to extend the respective maturity dates and remove the minimum tangible net worth covenant. The revolving credit facility's term was extended by one year to August 10, 2018 from August 10, 2017, and the term loan was extended by two years to mature on August 10, 2017 from August 10, 2015. As at March 31, 2014, the Company had utilized \$32.0 million (December 31, 2013 – \$31.9 million) of the amended revolving credit facility. The amount utilized was entirely for letters of credit.

On March 10, 2014, the Company repaid \$500.0 million of the term loan, leaving a balance of \$500.0 million outstanding.

Loan interest for both the amended revolving credit facility and the amended term loan is variable, set at LIBOR plus an interest rate margin which is dependent on the Company's credit rating. Based on the Company's credit rating at March 31, 2014, interest charges and fees are as follows:

Type of credit	
Dollar based LIBOR loan	LIBOR plus 1.70%
Letters of credit	1.13-1.70%
Standby fee applicable to unused availability	0.34%

When the term loan was originally arranged in August 2012, the Company entered into interest rate swaps to swap the underlying 1-month LIBOR interest rate into a fixed rate of 0.49% for the original three year term ending August 10, 2015. During the second quarter of 2013, the term loan maturity was extended to August 2017. Accordingly, the interest rate swaps only hedged the term loan's interest rate exposure until the original maturity of August 2015. Concurrent with the repayment of \$500.0 million of the term loan on March 10 2014, the Company closed out 60% of these interest rate swaps. The remaining outstanding interest rate swaps continue to hedge 80% of the remaining underlying floating rate term loan.

Based on the Company's current credit rating, the fixed rate on the hedged portion of the term loan is 2.19%.

The amended revolving credit facility and amended unsecured term loan were arranged under one credit agreement, which contains various covenants including limits on indebtedness, asset sales and liens. The significant financial covenant is a ratio of net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with this covenant at March 31, 2014.

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(ii) Senior notes

On August 22, 2011, the Company completed a \$1.0 billion offering of debt securities consisting of \$250.0 million principal amount of 3.625% senior notes due 2016, \$500.0 million principal amount of 5.125% senior notes due 2021 and \$250.0 million principal amount of 6.875% senior notes due 2041. Kinross received net proceeds of \$980.9 million from the offering, after discount and payment of fees and expenses related to the offering.

On March 6, 2014, the Company completed a \$500.0 million offering of debt securities consisting of 5.950% senior notes due 2024. Kinross received net proceeds of \$492.9 million from the offering, after discount and payment of fees and expenses related to the offering.

The senior notes referred to above (collectively, the “notes”) pay interest semi-annually. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indentures, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months of maturity of the notes due in 2021 and 2024 and within six months of maturity of the notes due in 2041, the Company can only redeem the notes in whole at 100% of the principal amount plus accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a repurchase price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the repurchase date, if any.

(iii) Kupol loan

On December 21, 2011, the Company completed a \$200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of \$30.0 million commenced in March 2013 and will continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to \$13.0 million and \$7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs, if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of \$151.3 million (December 31, 2013 - \$154.7 million) are pledged as security as part of the Kupol loan.

As at March 31, 2014, cash of \$34.0 million (December 31, 2013 - \$34.0 million) was restricted for payments related to this loan.

(iv) Other

On June 15, 2012, the Company entered into an amendment to increase the amount of its Letter of Credit guarantee facility with Export Development Canada from \$136.0 million to \$200.0 million and to extend the maturity date to March 31, 2015. Letters of credit guaranteed by this facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River–Buckhorn. Fees related to letters of credit under this facility are 1.00% to 1.25%. As at March 31, 2014, \$194.4 million (December 31, 2013 - \$164.1 million) was utilized under this facility.

In addition, at March 31, 2014, the Company had approximately \$42.8 million (December 31, 2013 - \$42.0 million) in letters of credit outstanding in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with certain international banks.

From time to time, the Company’s operations in Brazil may borrow US dollars from Brazilian banks on a short-term unsecured basis to meet working capital requirements. As at March 31, 2014, \$5.5 million (December 31, 2013 - \$nil) was outstanding under such borrowings.

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10. PROVISIONS

	Reclamation and remediation obligations (i)		Other	Total		
Balance at January 1, 2014	\$	664.1	\$	59.9	\$	724.0
Additions		-		7.0		7.0
Reductions		-		(6.9)		(6.9)
Reclamation spending		(3.8)		-		(3.8)
Accretion		7.0		-		7.0
Reclamation expenses		-		-		-
Balance at March 31, 2014	\$	667.3	\$	60.0	\$	727.3
Current portion		17.3		15.6		32.9
Non-current portion		650.0		44.4		694.4
	\$	667.3	\$	60.0	\$	727.3

(i) Reclamation and remediation obligations

The Company conducts its operations so as to protect the public health and the environment, and to comply with all applicable laws and regulations governing protection of the environment. Reclamation and remediation obligations arise throughout the life of each mine. The Company estimates future reclamation costs based on the level of current mining activity and estimates of costs required to fulfill the Company's future obligations. The above table details the items that affect the reclamation and remediation obligations.

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. As at March 31, 2014, letters of credit totaling \$230.9 million (December 31, 2013 – \$200.5 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 Letter of Credit guarantee facility with Export Development Canada, the corporate revolving credit facility, and pursuant to arrangements with certain international banks. The Company is in compliance with all applicable requirements under these facilities.

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11. COMMON SHARE CAPITAL AND COMMON SHARE PURCHASE WARRANTS

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. A summary of common share transactions for the three months ended March 31, 2014 and year ended December 31, 2013 is as follows:

	Three months ended March 31, 2014		Year ended December 31, 2013	
	Number of shares (000's)	Amount (\$)	Number of shares (000's)	Amount (\$)
Common shares				
Balance at January 1,	1,143,428	\$ 14,575.1	1,140,132	\$ 14,530.5
Under employee share purchase plan	-	-	621	4.0
Under share option and restricted share plans	919	13.4	1,710	22.9
Under Red Back options	36	0.6	965	17.7
Balance, at end of period	1,144,383	\$ 14,589.1	1,143,428	\$ 14,575.1
Common share purchase warrants				
Balance at January 1,	25,759	\$ 162.0	45,454	\$ 162.0
Conversion of warrants	-	-	-	-
Expiry of warrants	-	-	(19,695)	-
Balance, at end of period	25,759	\$ 162.0	25,759	\$ 162.0
Total common share capital and common share purchase warrants		\$ 14,751.1		\$ 14,737.1

i. Dividends on common shares

No dividends were paid during the three months ended March 31, 2014. There were no dividends declared but unpaid at March 31, 2014.

ii. Common share purchase warrants

The following table summarizes information about the common share purchase warrants outstanding at March 31, 2014:

	Share equivalents of warrants (000's)	Weighted average exercise price (\$/warrant)
Balance at January 1, 2014	25,759	\$ 21.30
Issued	-	-
Exercised	-	-
Balance at March 31, 2014	25,759	\$ 21.30

These U.S. dollar denominated common share purchase warrants expire on September 17, 2014.

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12. SHARE-BASED PAYMENTS

i. Share option plan

The following table summarizes information about the share options outstanding and exercisable at March 31, 2014:

	Three months ended March 31, 2014	
	Number of options (000's)	Weighted average exercise price (CDN\$)
Outstanding at January 1, 2014	14,342	\$ 12.09
Granted	3,295	5.82
Exercised	(36)	3.76
Forfeited	(10)	8.03
Expired	(721)	23.74
Outstanding at end of period	16,870	\$ 10.39
Exercisable at end of period	9,731	\$ 12.78

For the three months ended March 31, 2014, the weighted average share price at the date of exercise was CDN\$5.48.

The following weighted average assumptions were used in computing the fair value of share options using the Black-Scholes option pricing model granted during the three months ended March 31, 2014:

	2014
Weighted average share price (CDN\$)	\$ 5.82
Expected dividend yield	0.0%
Expected volatility	39.9%
Risk-free interest rate	1.6%
Estimated forfeiture rate	3.0%
Expected option life (in years)	4.5
Weighted average fair value per share option granted (CDN\$)	\$ 2.05

The expected volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

ii. Restricted share plan

(a) Restricted share units ("RSUs")

The following table summarizes information about the RSUs outstanding at March 31, 2014:

	Three months ended March 31, 2014	
	Number of units (000's)	Weighted average fair value (CDN\$/unit)
Outstanding at January 1, 2014	4,626	\$ 9.08
Granted	3,891	5.72
Reinvested	-	-
Redeemed	(1,566)	10.42
Forfeited	(118)	8.81
Outstanding at end of period	6,833	\$ 6.86

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(b) Restricted performance share units ("RPSUs")

The following table summarizes information about the RPSUs outstanding at March 31, 2014:

	Three months ended March 31, 2014	
	Number of units (000's)	Weighted average fair value (CDN\$/unit)
Outstanding at January 1, 2014	1,390	\$ 9.60
Granted	1,517	5.39
Reinvested	-	-
Redeemed	(97)	14.51
Forfeited	(80)	13.66
Outstanding at end of period	2,730	\$ 6.97

iii. Deferred share unit ("DSU") plan

The number of DSUs granted by the Company and the weighted average fair value per unit issued for the three months ended March 31, 2014 are as follows:

	Three months ended March 31, 2014
DSUs granted (000's)	112
Weighted average grant-date fair value (CDN\$/unit)	\$ 4.57

There were 902,576 DSUs outstanding, for which the Company had recognized a liability of \$3.7 million, as at March 31, 2014 (December 31, 2013 - \$3.5 million).

iv. Employee share purchase plan

No shares were issued by the Company under the employee share purchase plan for the three months ended March 31, 2014.

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13. EARNINGS PER SHARE

Basic and diluted net earnings from continuing operations attributable to common shareholders of Kinross for the three months ended March 31, 2014 was \$31.8 million (three months ended March 31, 2013 – \$162.4 million). Basic and diluted net earnings attributable to common shareholders of Kinross for the three months ended March 31, 2014 was \$29.6 million (three months ended March 31, 2013 - \$160.5 million).

(Number of common shares in thousands)	Three months ended March 31,	
	2014	2013
Basic weighted average shares outstanding:	1,143,763	1,140,620
Weighted average shares dilution adjustments:		
Stock options ^(a)	17	781
Restricted shares	5,377	4,659
Performance shares	1,940	1,132
Common share purchase warrants ^(a)	-	-
Diluted weighted average shares outstanding	1,151,097	1,147,192
Weighted average shares dilution adjustments - exclusions: ^(b)		
Stock options	17,269	12,338
Common share purchase warrants	25,759	45,454
Convertible senior notes	-	45,537

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the three months ended March 31, 2014, the average share price used was \$4.79 (three months ended March 31, 2013: \$8.31 per share).

(b) These adjustments were excluded, as they are anti-dilutive.

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14. SEGMENTED INFORMATION

The Company operates primarily in the gold mining industry and its major product is gold. Its activities include gold production, acquisition, exploration and development of gold properties. The Company's primary mining operations are in the United States, the Russian Federation, Brazil, Chile, Ghana and Mauritania.

The reportable segments are those operations whose operating results are reviewed by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose revenues, earnings or losses or assets exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments.

In order to determine reportable operating segments, management reviewed various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment consists of an individual mining property managed by a single general manager and management team. Certain properties that are in development or have not reached commercial production levels are considered reportable segments because they have reached quantitative thresholds. These have been identified as non-operating segments. Finance income, finance expense, other income (expense), and equity in earnings (losses) of associate and joint venture are managed on a consolidated basis and are not allocated to operating segments.

Non-mining and other operations are reported in Corporate and other.

On June 10, 2013, the Company announced that it would not proceed with further development of the FDN project in Ecuador. Kinross' decision to cease the development of FDN resulted in an impairment charge of \$720.0 million in the second quarter of 2013. As a result, FDN is no longer a reportable segment, and is considered a discontinued operation. See Note 4.

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Operating segments

The following tables set forth operating results by reportable segment for the following periods:

	Operating segments								Non-operating segments ^(b)	
	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other ^(b)	Total
Three months ended March 31, 2014:										
Revenue										
Metal sales	\$ 145.7	54.9	150.0	73.0	181.3	33.3	85.9	91.6	1.7	\$ 817.4
Cost of sales										
Production cost of sales	64.2	37.3	100.1	58.6	66.5	16.4	67.5	43.8	1.6	456.0
Depreciation, depletion and amortization	28.5	4.6	33.9	4.6	56.4	9.7	15.9	40.5	2.3	196.4
Total cost of sales	92.7	41.9	134.0	63.2	122.9	26.1	83.4	84.3	3.9	652.4
Gross profit (loss)	\$ 53.0	13.0	16.0	9.8	58.4	7.2	2.5	7.3	(2.2)	\$ 165.0
Other operating expense	-	-	2.2	3.3	-	0.7	1.4	1.4	8.7	17.7
Exploration and business development	0.2	0.1	-	-	3.2	0.4	3.2	2.8	12.8	22.7
General and administrative	-	-	-	-	4.0	-	-	-	39.2	43.2
Operating earnings (loss)	\$ 52.8	12.9	13.8	6.5	51.2	6.1	(2.1)	3.1	(62.9)	\$ 81.4
Other income (expense) - net										(6.2)
Equity in earnings (losses) of associate and joint venture										(1.3)
Finance income										1.4
Finance expense										(12.8)
Earnings from continuing operations before tax										\$ 62.5
Loss from discontinued operations before tax ^(d)										\$ (2.2)
Three months ended March 31, 2013:										
Revenue										
Metal sales	\$ 193.0	62.4	197.3	88.7	137.3	63.7	111.4	112.6	91.7	\$ 1,058.1
Cost of sales										
Production cost of sales	65.9	31.2	101.4	59.8	45.9	20.3	60.2	50.7	40.3	475.7
Depreciation, depletion and amortization	27.2	4.9	26.1	32.3	14.9	16.4	33.3	33.8	38.8	227.7
Total cost of sales	93.1	36.1	127.5	92.1	60.8	36.7	93.5	84.5	79.1	703.4
Gross profit (loss)	\$ 99.9	26.3	69.8	(3.4)	76.5	27.0	17.9	28.1	12.6	\$ 354.7
Other operating expense (income)	-	-	3.1	(0.1)	-	(0.1)	14.3	0.3	6.5	24.0
Exploration and business development	0.5	0.1	-	0.1	5.9	2.5	9.2	3.2	17.0	38.5
General and administrative	-	-	-	-	2.9	-	-	-	36.6	39.5
Operating earnings (loss)	\$ 99.4	26.2	66.7	(3.4)	67.7	24.6	(5.6)	24.6	(47.5)	\$ 252.7
Other income (expense) - net										(8.4)
Equity in earnings (losses) of associate and joint venture										(0.9)
Finance income										2.0
Finance expense										(8.6)
Earnings from continuing operations before tax										\$ 236.8
Loss from discontinued operations before tax ^(d)										\$ (1.9)

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	Operating segments								Non-operating segments ^(a)		Total		
	Fort Knox	Round Mountain		Paracatu	Maricunga	Kupol	Kettle River-Buckhorn		Tasiast	Chirano		Corporate and other ^(b)	Discontinued Operation ^(c)
		Mountain	Paracatu				Buckhorn	Tasiast					
Property, plant and equipment at:													
March 31, 2014	\$ 489.6	166.0	1,836.4	140.5	1,132.2	45.7	1,098.7	1,057.9	547.3	-	\$ 6,514.3		
Total assets at:													
March 31, 2014	\$ 708.0	221.3	2,099.2	355.7	2,133.7	98.9	1,658.9	1,245.5	1,643.8	1.3	\$ 10,166.3		
Capital expenditures for three months ended March 31, 2014 ^(d)	\$ 27.1	6.2	7.8	9.3	35.9	1.5	33.9	14.3	1.3	-	\$ 137.3		
	Operating segments								Non-operating segments ^(a)		Total		
	Fort Knox	Round Mountain		Paracatu	Maricunga	Kupol	Kettle River-Buckhorn		Tasiast	Chirano		Corporate and other ^(b)	Discontinued Operation ^(c)
		Mountain	Paracatu				Buckhorn	Tasiast					
Property, plant and equipment at:													
December 31, 2013	\$ 486.0	164.8	1,863.3	135.8	1,163.0	54.4	1,082.1	1,085.0	548.3	-	6,582.7		
Total assets at:													
December 31, 2013	\$ 721.9	230.2	2,113.6	342.0	2,262.1	102.8	1,669.2	1,251.6	1,591.4	1.9	10,286.7		
Capital expenditures for three months ended March 31, 2013 ^(d)	\$ 50.2	10.3	6.2	15.9	29.4	1.2	182.6	32.7	6.6	8.2	343.3		

(a) Non-operating segments include development properties.

(b) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including La Coipa, Lobo-Marté and White Gold). As of January 1, 2014, La Coipa was reclassified into the corporate and other segment. The comparative figures have been reclassified to conform to the March 31, 2014 segment presentation.

(c) Segmented capital expenditures are presented on an accrual basis. Additions to property, plant and equipment in the interim condensed consolidated statement of cash flows are presented on a cash basis.

(d) On June 10, 2013, the Company announced that it would not proceed with further development of the FDN project in Ecuador. See Note 4.

15. COMMITMENTS AND CONTINGENCIES

i. Commitments

Operating leases

The Company has a number of operating lease agreements involving office space and equipment. 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. The operating leases for certain office facilities contain escalation clauses for increases in operating costs and property taxes. A majority of these leases are cancelable and are renewable on a yearly basis.

ii. Contingencies

General

Estimated losses from contingencies are accrued by a charge to earnings 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.

Cerro Casale contingency

The Company is obligated to pay \$20 million to Barrick if a positive production decision is made relating to the Cerro Casale project.

Other legal matters

The Company is from time to time involved in legal proceedings, arising in the ordinary course of its business. Typically, and currently, except in the case of the actions described below, the amount of ultimate liability with respect to these

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actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

A putative securities class action complaint was filed on February 16, 2012 (the "U.S. Complaint"), entitled *Bo Young Cha v. Kinross Gold Corporation et al.*, in the United States District Court for the Southern District of New York (the "Court"). The U.S. Complaint named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, former Executive Vice President and Chief Financial Officer, Glen Masterman, former Senior Vice President, Exploration and Kenneth Thomas, former Senior Vice President, Projects. On May 31, 2012, the Court selected the City of Austin Police Retirement System ("City of Austin") to be lead plaintiff. Pursuant to an order of the Court, City of Austin filed an amended Complaint on July 23, 2012 (the "Amended U.S. Complaint"). The Amended U.S. Complaint alleges among other things, that, between August 2, 2010 and January 17, 2012, the defendants inflated Kinross' share price by knowingly or recklessly making material misrepresentations concerning (i) the extent and quality of the due diligence Kinross performed prior to its acquisition of Red Back and (ii) Kinross' schedule for developing the Tasiast mine. The defendants filed a motion to dismiss the Amended U.S. Complaint on September 7, 2012 and oral argument on the motion to dismiss took place on November 30, 2012. On March 22, 2013, the Court issued an order (the "Order") granting in part and denying in part the defendants' motion to dismiss the Amended U.S. Complaint. The Order granted the defendants' motion to dismiss with respect to all claims based on (a) Kinross' disclosures about its due diligence for the Red Back acquisition, and (b) Kinross' disclosures before August 10, 2011 about the Tasiast development schedule. The Order denied the defendants' motion to dismiss City of Austin's allegations that the defendants made misleading statements about the Tasiast development schedule between August 10, 2011 and January 17, 2012. On April 5, 2013, the defendants filed a motion asking the Court to reconsider the portions of the Order allowing the City of Austin's claims to proceed. On April 8, 2013, the Court (i) directed the City of Austin to respond to the defendants' motion for reconsideration by April 19, 2013, and (ii) stated that it will wait until after its ruling on defendants' motion for reconsideration before entering a case management schedule governing any future proceedings in the lawsuit. The City of Austin filed a response on April 19, 2013 and the defendants filed a reply on May 1, 2013. On June 6, 2013 the Court issued an opinion and order denying the defendants' motion for reconsideration. On July 8, 2013 the defendants filed their answer to the Amended U.S. Complaint. The parties are now in the fact discovery phase of litigation, which includes the production of information and documents (which was substantially completed on January 10, 2014) and the oral depositions of witnesses, which are currently in progress. The defendants intend to vigorously defend against the surviving claims of the Amended U.S. Complaint and believe they are without merit.

A notice of action in a proposed class proceeding under Ontario's Class Proceedings Act, 1992, was filed in the Ontario Superior Court of Justice (the "Ontario Court") on March 12, 2012, entitled *Trustees of the Musicians' Pension Fund of Canada v. Kinross Gold Corporation et al.* (the "Ontario Action"). A statement of claim in the Ontario Action was subsequently served on April 11, 2012. The Ontario Action named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, former Executive Vice President and Chief Financial Officer, Glen Masterman, former Senior Vice President, Exploration, and Kenneth Thomas, former Senior Vice President, Projects. The Ontario Action alleges, among other things, that Kinross made a number of misrepresentations relating to the quantity and quality of gold ore at the Tasiast mine and the costs of operating the mine, and that Kinross and the individual defendants knew that such misrepresentations were false or misleading when made. The plaintiffs sought certification of the action as a class proceeding and leave to proceed under the statutory civil liability provisions of Ontario's Securities Act. A hearing on the plaintiffs' leave and certification motions was held from October 22–24, 2013. On November 5, 2013, the Ontario Court issued Reasons For Decision dismissing the leave motion in respect of the statutory claims and dismissing the certification motion in respect of both the statutory claims and the common law negligent misrepresentation claims. The plaintiffs have appealed the Order of the Ontario Court. The appeals on the certification and leave motions have been consolidated and will both be heard by the Ontario Court of Appeal. The appeal is scheduled to be heard on June 11, 2014. Presently, and subject to the outcome of any appeal, as a result of the Ontario Court's decision, the only claim that remains is an individual claim, not a class proceeding by the Trustees of the Musicians' Pension Fund of Canada, asserting common law negligent misrepresentations. Kinross believes that the remaining individual claim is without merit and intends to vigorously defend against it.

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. Changes in tax law or changes in the way that tax law is interpreted may also

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impact the Company's effective tax rate as well as its business and operations. 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.

16. CONSOLIDATING FINANCIAL STATEMENTS

The obligations of the Company under the notes are guaranteed by the following 100% owned subsidiaries of the Company (the "guarantor subsidiaries"): Round Mountain Gold Corporation, Kinross Brasil Mineração S.A., Aurelian Resources Inc., BGO (Bermuda) Ltd., Crown Resources Corporation, Fairbanks Gold Mining, Inc., Melba Creek Mining, Inc., Compania Minera Mantos de Oro, Compania Minera Maricunga, Red Back Mining Inc., and Red Back Mining Mauritania No. 2 Ltd. All guarantees by the guarantor subsidiaries are joint and several, and full and unconditional; subject to certain customary release provisions contained in the indenture governing the senior notes. Kinross Gold U.S.A., Inc., previously a guarantor of the senior notes, is no longer a guarantor under the Credit Agreement and, consequently, was released in June 2013 as a guarantor, in accordance with release provisions of the indenture.

The following tables contain separate financial information related to the guarantor subsidiaries as set out in the consolidating balance sheets as at March 31, 2014 and December 31, 2013 and the consolidating statements of operations, statements of comprehensive income and statements of cash flows for the three months ended March 31, 2014 and 2013. For purposes of this information, the financial statements of Kinross Gold Corporation and of the guarantor subsidiaries reflect investments in subsidiary companies on an equity accounting basis. As Kinross Gold U.S.A., Inc. is no longer a guarantor of the senior notes, the consolidating balance sheet and the consolidating statements of operations, comprehensive income and cash flows for the comparative periods have been recast.

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Consolidating balance sheet as at March 31, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	\$ 230.3	\$ 95.7	\$ -	\$ 326.0	\$ 378.0	\$ -	\$ 704.0
Restricted cash	15.5	5.0	-	20.5	39.3	-	59.8
Accounts receivable and other assets	3.0	110.6	-	113.6	146.7	-	260.3
Intercompany receivables	664.5	3,435.4	(353.8)	3,746.1	4,704.3	(8,450.4)	-
Inventories	0.5	459.4	-	459.9	880.4	-	1,340.3
Unrealized fair value of derivative assets	-	-	-	-	1.9	-	1.9
	913.8	4,106.1	(353.8)	4,666.1	6,150.6	(8,450.4)	2,366.3
Non-current assets							
Property, plant and equipment	22.5	2,786.3	-	2,808.8	3,705.5	-	6,514.3
Goodwill	-	124.3	-	124.3	183.7	-	308.0
Long-term investments	26.8	0.2	-	27.0	-	-	27.0
Investments in associate and joint venture	-	17.6	-	17.6	297.4	-	315.0
Intercompany investments	5,970.9	(1,181.0)	(2,760.2)	2,029.7	7,290.5	(9,320.2)	-
Unrealized fair value of derivative assets	-	-	-	-	0.2	-	0.2
Deferred charges and other long-term assets	8.0	178.8	-	186.8	316.5	-	503.3
Long-term intercompany receivables	2,320.4	477.3	(1,667.0)	1,130.7	2,587.9	(3,718.6)	-
Deferred tax assets	-	40.5	-	40.5	91.7	-	132.2
Total assets	\$ 9,262.4	\$ 6,550.1	\$ (4,781.0)	\$ 11,031.5	\$ 20,624.0	\$ (21,489.2)	\$ 10,166.3
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	\$ 44.5	\$ 149.2	\$ -	\$ 193.7	\$ 257.2	\$ -	\$ 450.9
Intercompany payables	265.2	767.4	(353.8)	678.8	7,770.1	(8,448.9)	-
Current tax payable	-	14.4	-	14.4	9.2	-	23.6
Current portion of long-term debt	-	5.5	-	5.5	60.0	-	65.5
Current portion of provisions	-	13.6	-	13.6	19.3	-	32.9
Current portion of unrealized fair value of derivative liabilities	6.2	18.6	-	24.8	1.5	-	26.3
	315.9	968.7	(353.8)	930.8	8,117.3	(8,448.9)	599.2
Non-current liabilities							
Long-term debt	1,976.9	-	-	1,976.9	48.5	-	2,025.4
Provisions	10.3	485.1	-	495.4	199.0	-	694.4
Unrealized fair value of derivative liabilities	3.7	4.7	-	8.4	0.2	-	8.6
Other long-term liabilities	-	137.7	-	137.7	20.8	-	158.5
Long-term intercompany payables	890.2	2,046.6	(1,667.0)	1,269.8	2,450.3	(3,720.1)	-
Deferred tax liabilities	-	147.1	-	147.1	392.2	-	539.3
Total liabilities	3,197.0	3,789.9	(2,020.8)	4,966.1	11,228.3	(12,169.0)	4,025.4
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	\$ 14,751.1	\$ 2,975.3	\$ (2,975.3)	\$ 14,751.1	\$ 16,243.8	\$ (16,243.8)	\$ 14,751.1
Contributed surplus	75.3	82.8	(82.8)	75.3	2,356.9	(2,356.9)	75.3
Accumulated deficit	(8,741.5)	(282.0)	282.0	(8,741.5)	(9,264.3)	9,264.3	(8,741.5)
Accumulated other comprehensive income (loss)	(19.5)	(15.9)	15.9	(19.5)	(16.2)	16.2	(19.5)
Total common shareholders' equity	6,065.4	2,760.2	(2,760.2)	6,065.4	9,320.2	(9,320.2)	6,065.4
Non-controlling interest	-	-	-	-	75.5	-	75.5
Total equity	6,065.4	2,760.2	(2,760.2)	6,065.4	9,395.7	(9,320.2)	6,140.9
Total liabilities and equity	\$ 9,262.4	\$ 6,550.1	\$ (4,781.0)	\$ 11,031.5	\$ 20,624.0	\$ (21,489.2)	\$ 10,166.3

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Consolidating balance sheet as at December 31, 2013

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	\$ 218.3	\$ 118.9	\$ -	\$ 337.2	\$ 397.3	\$ -	\$ 734.5
Restricted cash	15.5	4.2	-	19.7	39.3	-	59.0
Accounts receivable and other assets	5.0	116.3	-	121.3	163.0	-	284.3
Intercompany receivables	697.1	3,309.8	(344.3)	3,662.6	4,218.2	(7,880.8)	-
Inventories	-	453.4	-	453.4	869.5	-	1,322.9
Unrealized fair value of derivative assets	-	1.2	-	1.2	3.9	-	5.1
	935.9	4,003.8	(344.3)	4,595.4	5,691.2	(7,880.8)	2,405.8
Non-current assets							
Property, plant and equipment	23.8	2,806.9	-	2,830.7	3,752.0	-	6,582.7
Goodwill	-	124.3	-	124.3	183.7	-	308.0
Long-term investments	20.2	0.2	-	20.4	-	-	20.4
Investments in associate and joint venture	-	17.5	-	17.5	297.7	-	315.2
Intercompany investments	5,947.3	(1,174.6)	(2,687.9)	2,084.8	7,270.0	(9,354.8)	-
Unrealized fair value of derivative assets	0.2	-	-	0.2	0.4	-	0.6
Deferred charges and other long-term assets	8.5	180.9	-	189.4	301.1	-	490.5
Long-term intercompany receivables	2,272.4	475.2	(1,625.1)	1,122.5	2,617.3	(3,739.8)	-
Deferred tax assets	-	40.4	-	40.4	123.1	-	163.5
Total assets	\$ 9,208.3	\$ 6,474.6	\$ (4,657.3)	\$ 11,025.6	\$ 20,236.5	\$ (20,975.4)	\$ 10,286.7
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	\$ 68.6	\$ 198.0	\$ -	\$ 266.6	\$ 277.9	\$ -	\$ 544.5
Intercompany payables	237.6	754.8	(344.3)	648.1	7,231.0	(7,879.1)	-
Current tax payable	-	10.3	-	10.3	16.7	-	27.0
Current portion of long-term debt	-	-	-	-	60.0	-	60.0
Current portion of provisions	-	20.9	-	20.9	19.2	-	40.1
Current portion of unrealized fair value of derivative liabilities	3.3	38.0	-	41.3	-	-	41.3
	309.5	1,022.0	(344.3)	987.2	7,604.8	(7,879.1)	712.9
Non-current liabilities							
Long-term debt	1,981.4	-	-	1,981.4	78.2	-	2,059.6
Provisions	9.5	476.3	-	485.8	198.1	-	683.9
Unrealized fair value of derivative liabilities	3.0	11.0	-	14.0	-	-	14.0
Other long-term liabilities	-	131.1	-	131.1	61.6	-	192.7
Long-term intercompany payables	890.9	2,005.1	(1,625.1)	1,270.9	2,470.6	(3,741.5)	-
Deferred tax liabilities	-	141.2	-	141.2	392.5	-	533.7
Total liabilities	3,194.3	3,786.7	(1,969.4)	5,011.6	10,805.8	(11,620.6)	4,196.8
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	\$ 14,737.1	\$ 2,975.3	\$ (2,975.3)	\$ 14,737.1	\$ 16,235.2	\$ (16,235.2)	\$ 14,737.1
Contributed surplus	84.5	82.8	(82.8)	84.5	2,334.0	(2,334.0)	84.5
Accumulated deficit	(8,771.1)	(337.9)	337.9	(8,771.1)	(9,201.8)	9,201.8	(8,771.1)
Accumulated other comprehensive income (loss)	(36.5)	(32.3)	32.3	(36.5)	(12.6)	12.6	(36.5)
Total common shareholders' equity	6,014.0	2,687.9	(2,687.9)	6,014.0	9,354.8	(9,354.8)	6,014.0
Non-controlling interest	-	-	-	-	75.9	-	75.9
Total equity	6,014.0	2,687.9	(2,687.9)	6,014.0	9,430.7	(9,354.8)	6,089.9
Total liabilities and equity	\$ 9,208.3	\$ 6,474.6	\$ (4,657.3)	\$ 11,025.6	\$ 20,236.5	\$ (20,975.4)	\$ 10,286.7

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Consolidating statement of operations for the three months ended March 31, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Revenue							
Metal sales	\$ 131.7	\$ 422.1	\$ (128.5)	\$ 425.3	\$ 392.1	\$ -	\$ 817.4
Cost of sales							
Production cost of sales	128.2	261.8	(128.5)	261.5	194.5	-	456.0
Depreciation, depletion and amortization	1.7	75.1	-	76.8	119.6	-	196.4
Total cost of sales	129.9	336.9	(128.5)	338.3	314.1	-	652.4
Gross profit (loss)	1.8	85.2	-	87.0	78.0	-	165.0
Other operating expense	0.7	11.5	-	12.2	5.5	-	17.7
Exploration and business development	5.5	1.9	-	7.4	15.3	-	22.7
General and administrative	25.3	1.1	-	26.4	16.8	-	43.2
Operating earnings (loss)	(29.7)	70.7	-	41.0	40.4	-	81.4
Other income (expense) - net	(0.5)	0.3	-	(0.2)	114.0	(120.0)	(6.2)
Equity in earnings (losses) of associate, joint venture and intercompany investments	61.3	(4.5)	(58.2)	(1.4)	(1.4)	1.5	(1.3)
Finance income	7.2	0.5	(0.5)	7.2	13.6	(19.4)	1.4
Finance expense	(6.2)	(6.5)	0.5	(12.2)	(20.0)	19.4	(12.8)
Earnings before tax	32.1	60.5	(58.2)	34.4	146.6	(118.5)	62.5
Income tax expense - net	(0.3)	(2.3)	-	(2.6)	(28.5)	-	(31.1)
Earnings from continuing operations after tax	31.8	58.2	(58.2)	31.8	118.1	(118.5)	31.4
Loss from discontinued operations after tax	(2.2)	(2.2)	2.2	(2.2)	(2.2)	2.2	(2.2)
Net earnings	\$ 29.6	\$ 56.0	\$ (56.0)	\$ 29.6	\$ 115.9	\$ (116.3)	\$ 29.2
Net earnings (loss) from continuing operations attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (0.4)	\$ -	\$ (0.4)
Common shareholders	\$ 31.8	\$ 58.2	\$ (58.2)	\$ 31.8	\$ 118.5	\$ (118.5)	\$ 31.8
Net earnings (loss) attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (0.4)	\$ -	\$ (0.4)
Common shareholders	\$ 29.6	\$ 56.0	\$ (56.0)	\$ 29.6	\$ 116.3	\$ (116.3)	\$ 29.6

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	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Revenue							
Metal sales	\$ -	\$ 633.2	\$ -	\$ 633.2	\$ 424.9	\$ -	\$ 1,058.1
Cost of sales							
Production cost of sales	-	298.6	-	298.6	177.1	-	475.7
Depreciation, depletion and amortization	1.5	134.6	-	136.1	91.6	-	227.7
Total cost of sales	1.5	433.2	-	434.7	268.7	-	703.4
Gross profit (loss)	(1.5)	200.0	-	198.5	156.2	-	354.7
Other operating expense	1.2	3.4	-	4.6	19.4	-	24.0
Exploration and business development	7.0	2.4	-	9.4	29.1	-	38.5
General and administrative	23.4	1.3	-	24.7	14.8	-	39.5
Operating earnings (loss)	(33.1)	192.9	-	159.8	92.9	-	252.7
Other income (expense) - net	3.5	(4.7)	-	(1.2)	15.2	(22.4)	(8.4)
Equity in earnings (losses) of associate, joint venture and intercompany investments	190.5	2.7	(164.6)	28.6	(0.9)	(28.6)	(0.9)
Finance income	7.1	0.4	(0.5)	7.0	9.8	(14.8)	2.0
Finance expense	(2.7)	(4.1)	0.5	(6.3)	(17.1)	14.8	(8.6)
Earnings before taxes	165.3	187.2	(164.6)	187.9	99.9	(51.0)	236.8
Income tax expense - net	(2.9)	(22.6)	-	(25.5)	(47.3)	-	(72.8)
Earnings from continuing operations after tax	162.4	164.6	(164.6)	162.4	52.6	(51.0)	164.0
Loss from discontinued operations after tax	(1.9)	(1.9)	1.9	(1.9)	(1.8)	1.8	(1.9)
Net earnings	\$ 160.5	\$ 162.7	\$ (162.7)	\$ 160.5	\$ 50.8	\$ (49.2)	\$ 162.1
Net earnings (loss) from continuing operations attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 1.6	\$ -	\$ 1.6
Common shareholders	\$ 162.4	\$ 164.6	\$ (164.6)	\$ 162.4	\$ 51.0	\$ (51.0)	\$ 162.4
Net earnings (loss) attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 1.6	\$ -	\$ 1.6
Common shareholders	\$ 160.5	\$ 162.7	\$ (162.7)	\$ 160.5	\$ 49.2	\$ (49.2)	\$ 160.5

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Consolidating statement of comprehensive income for the three months ended March 31, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net earnings	\$ 29.6	\$ 56.0	\$ (56.0)	\$ 29.6	\$ 115.9	\$ (116.3)	\$ 29.2
Other comprehensive income (loss), net of tax:							
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments ^(a)	7.7	-	-	7.7	(1.1)	-	6.6
Reclassification to earnings for impairment charges	-	-	-	-	-	-	-
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(b)	(6.9)	11.0	-	4.1	(2.6)	-	1.5
Accumulated other comprehensive income (loss) related to derivatives settled ^(c)	3.4	5.5	-	8.9	-	-	8.9
	4.2	16.5	-	20.7	(3.7)	-	17.0
Equity in other comprehensive income (loss) of intercompany investments	12.8	-	(16.5)	(3.7)	-	3.7	-
Total comprehensive income	\$ 46.6	\$ 72.5	\$ (72.5)	\$ 46.6	\$ 112.2	\$ (112.6)	\$ 46.2
Comprehensive income from continuing operations	\$ 48.8	\$ 74.7	\$ (74.7)	\$ 48.8	\$ 114.4	\$ (114.8)	\$ 48.4
Comprehensive loss from discontinued operations	(2.2)	(2.2)	2.2	(2.2)	(2.2)	2.2	(2.2)
Total comprehensive income	\$ 46.6	\$ 72.5	\$ (72.5)	\$ 46.6	\$ 112.2	\$ (112.6)	\$ 46.2
Attributable to non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (0.4)	\$ -	\$ (0.4)
Attributable to common shareholders	\$ 46.6	\$ 72.5	\$ (72.5)	\$ 46.6	\$ 112.6	\$ (112.6)	\$ 46.6
(a) Net of tax of	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Net of tax of	\$ -	\$ 6.1	\$ -	\$ 6.1	\$ (0.8)	\$ -	\$ 5.3
(c) Net of tax of	\$ -	\$ 2.8	\$ -	\$ 2.8	\$ -	\$ -	\$ 2.8

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Consolidating statement of comprehensive income for the three months ended March 31, 2013

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net earnings	\$ 160.5	\$ 162.7	\$ (162.7)	\$ 160.5	\$ 50.8	\$ (49.2)	\$ 162.1
Other comprehensive income (loss), net of tax:							
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments ^(a)	(7.4)	(0.4)	-	(7.8)	(1.7)	-	(9.5)
Reclassification to earnings for impairment charges	3.8	0.2	-	4.0	1.6	-	5.6
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(b)	(3.1)	13.8	-	10.7	0.3	-	11.0
Accumulated other comprehensive income (loss) related to derivatives settled ^(c)	(0.2)	(0.4)	-	(0.6)	(1.3)	-	(1.9)
	(6.9)	13.2	-	6.3	(1.1)	-	5.2
Equity in other comprehensive income (loss) of intercompany investments	12.1	-	(13.2)	(1.1)	-	1.1	-
Total comprehensive income	\$ 165.7	\$ 175.9	\$ (175.9)	\$ 165.7	\$ 49.7	\$ (48.1)	\$ 167.3
Comprehensive income from continuing operations	\$ 167.6	\$ 177.8	\$ (177.8)	\$ 167.6	\$ 51.5	\$ (49.9)	\$ 169.2
Comprehensive loss from discontinued operations	(1.9)	(1.9)	1.9	(1.9)	(1.8)	1.8	(1.9)
Comprehensive income	\$ 165.7	\$ 175.9	\$ (175.9)	\$ 165.7	\$ 49.7	\$ (48.1)	\$ 167.3
Attributable to non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 1.6	\$ -	\$ 1.6
Attributable to common shareholders	\$ 165.7	\$ 175.9	\$ (175.9)	\$ 165.7	\$ 48.1	\$ (48.1)	\$ 165.7
(a) Net of tax of	\$ -	\$ -	\$ -	\$ -	\$ 0.7	\$ -	\$ 0.7
(b) Net of tax of	\$ -	\$ 6.1	\$ -	\$ 6.1	\$ (0.7)	\$ -	\$ 5.4
(c) Net of tax of	\$ -	\$ 0.4	\$ -	\$ 0.4	\$ (0.4)	\$ -	\$ -

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2014 and 2013

(Unaudited and tabular amounts in millions of United States dollars)

Consolidating statement of cash flows for the three months ended March 31, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings from continuing operations	\$ 31.8	\$ 58.2	\$ (58.2)	\$ 31.8	\$ 118.1	\$ (118.5)	\$ 31.4
Adjustments to reconcile net earnings to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	1.7	75.1	-	76.8	119.6	-	196.4
Loss (gain) on sale of other assets - net	-	(1.0)	-	(1.0)	0.6	-	(0.4)
Impairment of investments	-	-	-	-	-	-	-
Equity in losses (earnings) of associate, joint venture and intercompany investments	(61.3)	4.5	58.2	1.4	1.4	(1.5)	1.3
Non-hedge derivative loss - net	2.0	0.8	-	2.8	0.6	-	3.4
Settlement of derivative instruments	-	-	-	-	-	-	-
Share-based compensation expense	7.2	-	-	7.2	-	-	7.2
Accretion expense	2.2	4.8	-	7.0	2.6	-	9.6
Deferred tax (recovery) expense	-	(3.2)	-	(3.2)	32.0	-	28.8
Foreign exchange (gains) losses and other	1.1	(8.3)	-	(7.2)	(31.5)	-	(38.7)
Changes in operating assets and liabilities:							
Accounts receivable and other assets	1.8	19.6	-	21.4	28.6	-	50.0
Inventories	(0.5)	(6.7)	-	(7.2)	(16.2)	-	(23.4)
Accounts payable and accrued liabilities	(12.2)	(25.3)	-	(37.5)	26.7	-	(10.8)
Cash flow provided from (used in) operating activities	(26.2)	118.5	-	92.3	282.5	(120.0)	254.8
Income taxes paid	-	(6.6)	-	(6.6)	(37.7)	-	(44.3)
Net cash flow of continuing operations provided from (used in) operating activities	(26.2)	111.9	-	85.7	244.8	(120.0)	210.5
Net cash flow of discontinued operations used in operating activities	-	-	-	-	(2.4)	-	(2.4)
Investing:							
Additions to property, plant and equipment	(2.4)	(62.9)	-	(65.3)	(103.6)	-	(168.9)
Net additions to long-term investments and other assets	-	(7.4)	-	(7.4)	(22.1)	-	(29.5)
Net proceeds from the sale of property, plant and equipment	-	1.1	-	1.1	-	-	1.1
Disposals of short-term investments	-	-	-	-	-	-	-
Increase (decrease) in restricted cash	-	(0.8)	-	(0.8)	-	-	(0.8)
Interest received	0.1	0.4	-	0.5	0.9	-	1.4
Net cash flow of continuing operations provided from (used in) investing activities	(2.3)	(69.6)	-	(71.9)	(124.8)	-	(196.7)
Net cash flow of discontinued operations used in investing activities	-	-	-	-	-	-	-
Financing:							
Issuance of common shares on exercise of options and warrants	0.1	-	-	0.1	-	-	0.1
Proceeds from issuance of debt	492.9	129.5	-	622.4	-	-	622.4
Repayment of debt	(500.0)	(124.0)	-	(624.0)	(30.0)	-	(654.0)
Interest paid	(0.7)	(0.2)	-	(0.9)	(1.0)	-	(1.9)
Dividends received from (paid to) common shareholders and subsidiaries	60.0	-	-	60.0	(180.0)	120.0	-
Settlement of derivative instruments	(2.1)	-	-	(2.1)	-	-	(2.1)
Intercompany advances	(10.1)	(70.8)	-	(80.9)	80.9	-	-
Other	0.4	-	-	0.4	-	-	0.4
Net cash flow of continuing operations provided from (used in) financing activities	40.5	(65.5)	-	(25.0)	(130.1)	120.0	(35.1)
Net cash flow of discontinued operations used in financing activities	-	-	-	-	-	-	-
Effect of exchange rate changes on cash and cash equivalents of continuing operations	-	-	-	-	(6.8)	-	(6.8)
Increase (decrease) in cash and cash equivalents	12.0	(23.2)	-	(11.2)	(19.3)	-	(30.5)
Cash and cash equivalents, beginning of period	218.3	118.9	-	337.2	397.3	-	734.5
Cash and cash equivalents, end of period	\$ 230.3	\$ 95.7	\$ -	\$ 326.0	\$ 378.0	\$ -	\$ 704.0

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For the three months ended March 31, 2014 and 2013

(Unaudited and tabular amounts in millions of United States dollars)

Consolidating statement of cash flows for the three months ended March 31, 2013

	Guarantors			Total Guarantors	Non- guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings from continuing operations	\$ 162.4	\$ 164.6	\$ (164.6)	\$ 162.4	\$ 52.6	\$ (51.0)	\$ 164.0
Adjustments to reconcile net earnings from continuing operations to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	1.5	134.6	-	136.1	91.6	-	227.7
Loss (gain) on sale of other assets - net	-	(0.9)	-	(0.9)	0.1	-	(0.8)
Impairment of Investments	3.8	0.2	-	4.0	1.6	-	5.6
Equity in (earnings) losses of associate, joint venture and intercompany investments	(190.5)	(2.7)	164.6	(28.6)	0.9	28.6	0.9
Non-hedge derivative loss - net	-	-	-	-	-	-	-
Settlement of derivative instruments	0.2	-	-	0.2	-	-	0.2
Share-based compensation expense	8.7	-	-	8.7	-	-	8.7
Accretion expense	0.4	3.1	-	3.5	1.9	-	5.4
Deferred tax (recovery) expense	-	6.7	-	6.7	(27.5)	-	(20.8)
Foreign exchange (gains) losses and other	(1.8)	14.7	-	12.9	9.9	-	22.8
Changes in operating assets and liabilities:							
Accounts receivable and other assets	2.7	13.0	-	15.7	13.4	-	29.1
Inventories	-	13.6	-	13.6	(48.5)	-	(34.9)
Accounts payable and accrued liabilities	(12.6)	(38.9)	-	(51.5)	84.5	-	33.0
Cash flow provided from (used in) operating activities	(25.2)	308.0	-	282.8	180.5	(22.4)	440.9
Income taxes paid	(2.9)	(23.0)	-	(25.9)	(49.7)	-	(75.6)
Net cash flow of continuing operations provided from (used in) operating activities	(28.1)	285.0	-	256.9	130.8	(22.4)	365.3
Net cash flow of discontinued operations used in operating activities	-	(0.1)	-	(0.1)	(7.1)	-	(7.2)
Investing:							
Additions to property, plant and equipment	(1.6)	(91.4)	-	(93.0)	(216.5)	-	(309.5)
Net additions to long-term investments and other assets	(0.5)	(5.9)	-	(6.4)	(18.1)	-	(24.5)
Net proceeds from the sale of property, plant and equipment	-	1.3	-	1.3	-	-	1.3
Disposals of short-term investments	349.8	-	-	349.8	-	-	349.8
Decrease in restricted cash	-	-	-	-	-	-	-
Interest received	0.6	(0.1)	-	0.5	1.6	-	2.1
Net cash flow of continuing operations provided from (used in) investing activities	348.3	(96.1)	-	252.2	(233.0)	-	19.2
Net cash flow of discontinued operations used in investing activities	-	-	-	-	(8.3)	-	(8.3)
Financing:							
Issuance of common shares on exercise of options and warrants	1.6	-	-	1.6	-	-	1.6
Proceeds from issuance of debt	-	-	-	-	-	-	-
Repayment of debt	(454.6)	(2.4)	-	(457.0)	(30.0)	-	(487.0)
Interest paid	-	-	-	-	(1.5)	-	(1.5)
Dividends received from (paid to) common shareholders and subsidiaries	(67.2)	(38.1)	-	(105.3)	(8.4)	22.4	(91.3)
Intercompany advances	(120.0)	(98.0)	-	(218.0)	218.0	-	-
Other	-	-	-	-	-	-	-
Net cash flow of continuing operations provided from (used in) financing activities	(640.2)	(138.5)	-	(778.7)	178.1	22.4	(578.2)
Net cash flow of discontinued operations used in financing activities	-	-	-	-	-	-	-
Effect of exchange rate changes on cash and cash equivalents of continuing operations	-	-	-	-	(2.7)	-	(2.7)
Increase (decrease) in cash and cash equivalents	(320.0)	50.3	-	(269.7)	57.8	-	(211.9)
Cash and cash equivalents, beginning of period	642.6	177.4	-	820.0	812.7	-	1,632.7
Cash and cash equivalents, end of period	\$ 322.6	\$ 227.7	\$ -	\$ 550.3	\$ 870.5	\$ -	\$ 1,420.8

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