

# KINROSS GOLD CORPORATION

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

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

		As at	
		June 30, 2014	December 31, 2013
<b>Assets</b>			
Current assets			
Cash and cash equivalents	Note 5	\$ 738.7	\$ 734.5
Restricted cash	Note 5	43.3	59.0
Accounts receivable and other assets	Note 5	354.8	284.3
Inventories	Note 5	1,289.6	1,322.9
Unrealized fair value of derivative assets	Note 8	3.0	5.1
		<u>2,429.4</u>	<u>2,405.8</u>
Non-current assets			
Property, plant and equipment	Note 5	6,456.9	6,582.7
Goodwill	Note 5	308.0	308.0
Long-term investments	Note 5	30.3	20.4
Investments in associate and joint venture	Note 7	315.0	315.2
Unrealized fair value of derivative assets	Note 8	0.4	0.6
Deferred charges and other long-term assets	Note 5	503.8	490.5
Deferred tax assets		134.8	163.5
<b>Total assets</b>		<u>\$ 10,178.6</u>	<u>\$ 10,286.7</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	Note 5	\$ 445.1	\$ 544.5
Current tax payable		26.0	27.0
Current portion of long-term debt	Note 10	60.0	60.0
Current portion of provisions	Note 11	30.2	40.1
Current portion of unrealized fair value of derivative liabilities	Note 8	9.5	41.3
		<u>570.8</u>	<u>712.9</u>
Non-current liabilities			
Long-term debt	Note 10	2,026.5	2,059.6
Provisions	Note 11	703.7	683.9
Unrealized fair value of derivative liabilities	Note 8	3.3	14.0
Other long-term liabilities		149.8	192.7
Deferred tax liabilities		513.3	533.7
<b>Total liabilities</b>		<u>3,967.4</u>	<u>4,196.8</u>
<b>Equity</b>			
Common shareholders' equity			
Common share capital and common share purchase warrants	Note 12	\$ 14,751.6	\$ 14,737.1
Contributed surplus		81.1	84.5
Accumulated deficit		(8,697.4)	(8,771.1)
Accumulated other comprehensive income (loss)	Note 5	0.7	(36.5)
<b>Total common shareholders' equity</b>		<u>6,136.0</u>	<u>6,014.0</u>
Non-controlling interest		75.2	75.9
<b>Total equity</b>		<u>6,211.2</u>	<u>6,089.9</u>
Commitments and contingencies	Note 16		
Subsequent events	Note 10		
<b>Total liabilities and equity</b>		<u>\$ 10,178.6</u>	<u>\$ 10,286.7</u>
<b>Common shares</b>			
Authorized		Unlimited	Unlimited
Issued and outstanding	Note 12	1,144,431,104	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		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>Revenue</b>				
Metal sales	\$ 911.9	\$ 968.0	\$ 1,729.3	\$ 2,026.1
<b>Cost of sales</b>				
Production cost of sales	525.9	513.5	981.9	989.2
Depreciation, depletion and amortization	215.3	210.1	411.7	437.8
Impairment charges	Note 6 -	2,433.1	-	2,433.1
<b>Total cost of sales</b>	<b>741.2</b>	<b>3,156.7</b>	<b>1,393.6</b>	<b>3,860.1</b>
<b>Gross profit (loss)</b>	<b>170.7</b>	<b>(2,188.7)</b>	<b>335.7</b>	<b>(1,834.0)</b>
Other operating expense	15.3	9.4	33.0	33.4
Exploration and business development	29.0	43.2	51.7	81.7
General and administrative	46.2	42.4	89.4	81.9
<b>Operating earnings (loss)</b>	<b>80.2</b>	<b>(2,283.7)</b>	<b>161.6</b>	<b>(2,031.0)</b>
Other income (expense) - net	Note 5 (1.1)	(243.3)	(7.3)	(251.7)
Equity in earnings (losses) of associate and joint venture	Note 5 (0.7)	(2.2)	(2.0)	(3.1)
Finance income	4.4	2.3	5.8	4.3
Finance expense	Note 5 (19.9)	(9.1)	(32.7)	(17.7)
<b>Earnings (loss) before tax</b>	<b>62.9</b>	<b>(2,536.0)</b>	<b>125.4</b>	<b>(2,299.2)</b>
Income tax recovery (expense) - net	(17.2)	53.6	(48.3)	(19.2)
Earnings (loss) from continuing operations after tax	45.7	(2,482.4)	77.1	(2,318.4)
Loss from discontinued operations after tax	Note 4 (1.9)	(721.1)	(4.1)	(723.0)
<b>Net earnings (loss)</b>	<b>\$ 43.8</b>	<b>\$ (3,203.5)</b>	<b>\$ 73.0</b>	<b>\$ (3,041.4)</b>
<b>Net earnings (loss) from continuing operations attributable to:</b>				
Non-controlling interest	\$ (0.3)	\$ (0.5)	\$ (0.7)	\$ 1.1
Common shareholders	\$ 46.0	\$ (2,481.9)	\$ 77.8	\$ (2,319.5)
<b>Net earnings (loss) attributable to:</b>				
Non-controlling interest	\$ (0.3)	\$ (0.5)	\$ (0.7)	\$ 1.1
Common shareholders	\$ 44.1	\$ (3,203.0)	\$ 73.7	\$ (3,042.5)
<b>Earnings (loss) per share from continuing operations attributable to common shareholders</b>				
Basic	\$ 0.04	\$ (2.17)	\$ 0.07	\$ (2.03)
Diluted	\$ 0.04	\$ (2.17)	\$ 0.07	\$ (2.03)
<b>Earnings (loss) per share attributable to common shareholders</b>				
Basic	\$ 0.04	\$ (2.81)	\$ 0.06	\$ (2.67)
Diluted	\$ 0.04	\$ (2.81)	\$ 0.06	\$ (2.67)
<b>Weighted average number of common shares outstanding</b> Note 14				
(millions)				
Basic	1,144.4	1,141.7	1,144.1	1,141.2
Diluted	1,153.9	1,141.7	1,152.5	1,141.2

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

# KINROSS GOLD CORPORATION

## INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited expressed in millions of United States dollars)

	Three months ended		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>Net earnings (loss)</b>	<b>\$ 43.8</b>	<b>\$ (3,203.5)</b>	<b>\$ 73.0</b>	<b>\$ (3,041.4)</b>
<b>Other comprehensive income (loss), net of tax:</b>				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Change in fair value of investments <sup>(a)</sup>	3.0	(13.7)	9.6	(23.2)
Reclassification to earnings for impairment charges	-	8.5	-	14.1
Changes in fair value of derivative financial instruments designated as cash flow hedges <sup>(b)</sup>	13.7	(52.0)	15.2	(41.0)
Accumulated other comprehensive income (loss) related to derivatives settled <sup>(c)</sup>	3.5	0.9	12.4	(1.0)
	<b>20.2</b>	<b>(56.3)</b>	<b>37.2</b>	<b>(51.1)</b>
<b>Total comprehensive income (loss)</b>	<b>\$ 64.0</b>	<b>\$ (3,259.8)</b>	<b>\$ 110.2</b>	<b>\$ (3,092.5)</b>
Comprehensive income (loss) from continuing operations	\$ 65.9	\$ (2,538.7)	\$ 114.3	\$ (2,369.5)
Comprehensive loss from discontinued operations	(1.9)	(721.1)	(4.1)	(723.0)
<b>Total comprehensive income (loss)</b>	<b>\$ 64.0</b>	<b>\$ (3,259.8)</b>	<b>\$ 110.2</b>	<b>\$ (3,092.5)</b>
<b>Attributable to non-controlling interest</b>	<b>\$ (0.3)</b>	<b>\$ (0.5)</b>	<b>\$ (0.7)</b>	<b>\$ 1.1</b>
<b>Attributable to common shareholders</b>	<b>\$ 64.3</b>	<b>\$ (3,259.3)</b>	<b>\$ 110.9</b>	<b>\$ (3,093.6)</b>

(a) Net of tax of \$nil, 3 months; \$nil, 6 months (2013 - \$(0.9) million, 3 months; \$(0.2) million, 6 months)

(b) Net of tax of \$4.4 million, 3 months; \$9.7 million, 6 months (2013 - \$(21.5) million, 3 months; \$(16.1) million, 6 months)

(c) Net of tax of \$1.0 million, 3 months; \$3.8 million, 6 months (2013 - \$1.1 million, 3 months; \$1.1 million, 6 months)

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		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>Net inflow (outflow) of cash related to the following activities:</b>				
<b>Operating:</b>				
Net earnings (loss) from continuing operations	\$ 45.7	\$ (2,482.4)	\$ 77.1	\$ (2,318.4)
Adjustments to reconcile net earnings (loss) from continuing operations to net cash provided from (used in) operating activities:				
Depreciation, depletion and amortization	215.3	210.1	411.7	437.8
Losses (gains) on sale of other assets - net	(0.1)	0.2	(0.5)	(0.6)
Impairment charges	-	2,433.1	-	2,433.1
Impairment of investments	-	227.5	-	233.1
Equity in losses (earnings) of associate and joint venture	0.7	2.2	2.0	3.1
Non-hedge derivative (gains) losses - net	0.2	(0.1)	3.6	(0.1)
Settlement of derivative instruments	-	-	-	0.2
Share-based compensation expense	7.0	9.4	14.2	18.1
Accretion expense	7.9	5.1	17.5	10.5
Deferred tax recovery	(33.9)	(164.1)	(5.1)	(184.9)
Foreign exchange (gains) losses and other	(14.5)	15.7	(53.2)	38.5
Changes in operating assets and liabilities:				
Accounts receivable and other assets	(113.5)	(103.2)	(63.5)	(74.1)
Inventories	31.7	(7.8)	8.3	(42.7)
Accounts payable and accrued liabilities	63.1	59.6	52.3	92.6
<b>Cash flow provided from operating activities</b>	<b>209.6</b>	<b>205.3</b>	<b>464.4</b>	<b>646.2</b>
Income taxes paid	(45.7)	(98.9)	(90.0)	(174.5)
<b>Net cash flow of continuing operations provided from operating activities</b>	<b>163.9</b>	<b>106.4</b>	<b>374.4</b>	<b>471.7</b>
<b>Net cash flow of discontinued operations used in operating activities</b>	<b>(2.0)</b>	<b>(2.5)</b>	<b>(4.4)</b>	<b>(9.7)</b>
<b>Investing:</b>				
Additions to property, plant and equipment	(120.0)	(321.0)	(288.9)	(630.5)
Net additions to long-term investments and other assets	(19.7)	(18.8)	(49.2)	(43.3)
Net proceeds from the sale of property, plant and equipment	0.3	0.1	1.4	1.4
Disposals of short-term investments	-	-	-	349.8
Decrease (increase) in restricted cash	16.6	(0.9)	15.8	(0.9)
Interest received	1.1	2.1	2.5	4.2
<b>Net cash flow of continuing operations used in investing activities</b>	<b>(121.7)</b>	<b>(338.5)</b>	<b>(318.4)</b>	<b>(319.3)</b>
<b>Net cash flow of discontinued operations used in investing activities</b>	<b>-</b>	<b>(6.0)</b>	<b>-</b>	<b>(14.3)</b>
<b>Financing:</b>				
Issuance of common shares on exercise of options	-	1.4	0.1	3.0
Proceeds from issuance of debt	119.8	-	742.2	-
Repayment of debt	(125.3)	(6.3)	(779.3)	(493.3)
Interest paid	(1.4)	(1.2)	(3.3)	(2.7)
Dividends paid to common shareholders	-	-	-	(91.3)
Settlement of derivative instruments	-	-	(2.1)	-
Other	(0.2)	(1.7)	0.2	(1.7)
<b>Net cash flow of continuing operations used in financing activities</b>	<b>(7.1)</b>	<b>(7.8)</b>	<b>(42.2)</b>	<b>(586.0)</b>
<b>Net cash flow of discontinued operations used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents of continuing operations</b>	<b>1.6</b>	<b>(9.3)</b>	<b>(5.2)</b>	<b>(12.0)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>34.7</b>	<b>(257.7)</b>	<b>4.2</b>	<b>(469.6)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>704.0</b>	<b>1,420.8</b>	<b>734.5</b>	<b>1,632.7</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 738.7</b>	<b>\$ 1,163.1</b>	<b>\$ 738.7</b>	<b>\$ 1,163.1</b>

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		Six months ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
<b>Common share capital and common share purchase warrants</b>				
Balance at the beginning of the period	\$ 14,751.1	\$ 14,712.9	\$ 14,737.1	\$ 14,692.5
Common shares issued under employee share purchase plans	-	2.1	-	4.0
Transfer from contributed surplus on exercise of options and restricted shares	0.5	1.3	14.4	19.4
Options exercised, including cash	-	-	0.1	0.4
Balance at the end of the period	\$ 14,751.6	\$ 14,716.3	\$ 14,751.6	\$ 14,716.3
<b>Contributed surplus</b>				
Balance at the beginning of the period	\$ 75.3	\$ 79.8	\$ 84.5	\$ 89.9
Share-based compensation	6.2	8.8	13.4	16.8
Transfer of fair value of exercised options and restricted shares	(0.4)	(1.3)	(16.8)	(19.4)
Balance at the end of the period	\$ 81.1	\$ 87.3	\$ 81.1	\$ 87.3
<b>Accumulated deficit</b>				
Balance at the beginning of the period	\$ (8,741.5)	\$ (4,867.9)	\$ (8,771.1)	\$ (4,937.1)
Dividends paid	-	-	-	(91.3)
Net earnings (loss) attributable to common shareholders	44.1	(3,203.0)	73.7	(3,042.5)
Balance at the end of the period	\$ (8,697.4)	\$ (8,070.9)	\$ (8,697.4)	\$ (8,070.9)
<b>Accumulated other comprehensive income (loss)</b>				
Balance at the beginning of the period	\$ (19.5)	\$ 10.1	\$ (36.5)	\$ 4.9
Other comprehensive income (loss)	20.2	(56.3)	37.2	(51.1)
Balance at the end of the period	\$ 0.7	\$ (46.2)	\$ 0.7	\$ (46.2)
Total accumulated deficit and accumulated other comprehensive income (loss)	\$ (8,696.7)	\$ (8,117.1)	\$ (8,696.7)	\$ (8,117.1)
<b>Total common shareholders' equity</b>	\$ 6,136.0	\$ 6,686.5	\$ 6,136.0	\$ 6,686.5
<b>Non-controlling interest</b>				
Balance at the beginning of the period	\$ 75.5	\$ 77.1	\$ 75.9	\$ 75.5
Net earnings (loss) attributable to non-controlling interest	(0.3)	(0.5)	(0.7)	1.1
Balance at the end of the period	\$ 75.2	\$ 76.6	\$ 75.2	\$ 76.6
<b>Total equity</b>	\$ 6,211.2	\$ 6,763.1	\$ 6,211.2	\$ 6,763.1

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 and six months ended June 30, 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 arrangements (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 June 30, 2014 were authorized for issue in accordance with a resolution of the board of directors on July 30, 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 AND RECENT ACCOUNTING PRONOUNCEMENTS

#### 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.

#### Recent Accounting Pronouncements

##### Revenue recognition

In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"). The standard replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Customer Loyalty Programmes", IFRIC 15 "Agreements for the Construction of Real Estate", IFRIC 18 "Transfer of Assets From Customers" and SIC 31 "Revenue – Barter Transactions Involving Advertising Services". IFRS 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contract with customers. This standard is effective for annual periods beginning on or after January 1, 2017, and permits early adoption. The Company is in the process of determining the impact of IFRS 15 on its consolidated financial statements.

##### Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 "Financial Instruments". This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. The Company is in the process of determining the impact of IFRS 9 on its consolidated financial statements.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 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 June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>Results of discontinued operation</b>				
Revenues	\$ -	\$ -	\$ -	\$ -
Expenses	1.9	727.3	4.1	729.2
<b>Loss before tax</b>	<b>(1.9)</b>	<b>(727.3)</b>	<b>(4.1)</b>	<b>(729.2)</b>
Income tax (expense) recovery	-	6.2	-	6.2
<b>Loss and other comprehensive loss from discontinued operation after tax</b>	<b>\$ (1.9)</b>	<b>\$ (721.1)</b>	<b>\$ (4.1)</b>	<b>\$ (723.0)</b>
<b>Loss per share from discontinued operation attributable to common shareholders</b>				
Basic	\$ (0.00)	\$ (0.63)	\$ (0.00)	\$ (0.63)
Diluted	\$ (0.00)	\$ (0.63)	\$ (0.00)	\$ (0.63)

#### Cash flows from FDN

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
<b>Cash flows of discontinued operation:</b>				
Net cash flow used in operating activities	\$ (2.0)	\$ (2.5)	\$ (4.4)	\$ (9.7)
Net cash flow used in investing activities	-	(6.0)	-	(14.3)
Net cash flow used in financing activities	-	-	-	-
<b>Net cash flow of discontinued operation</b>	<b>\$ (2.0)</b>	<b>\$ (8.5)</b>	<b>\$ (4.4)</b>	<b>\$ (24.0)</b>

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 5. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT DETAILS

#### Interim Condensed Consolidated Balance Sheets

##### i. Cash and cash equivalents:

	June 30, 2014	December 31, 2013
Cash on hand and balances with banks	\$ 369.4	\$ 420.2
Short-term deposits	369.3	314.3
	\$ 738.7	\$ 734.5

##### Restricted cash:

	June 30, 2014	December 31, 2013
Restricted cash <sup>(a)</sup>	\$ 43.3	\$ 59.0

(a) Restricted cash relates to restricted payments for the Kupol loan (see Note 10 (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:

	June 30, 2014	December 31, 2013
Trade receivables	\$ 40.8	\$ 8.2
Taxes recoverable	73.6	81.3
Prepaid expenses	27.6	17.9
VAT receivable	98.6	90.8
Other <sup>(a)</sup>	114.2	86.1
	\$ 354.8	\$ 284.3

(a) Includes deposits of \$85.8 million (December 31, 2013 - \$49.7 million).

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### iii. Inventories:

	June 30, 2014	December 31, 2013
Ore in stockpiles <sup>(a)</sup>	\$ 357.9	\$ 331.9
Ore on leach pads <sup>(b)</sup>	375.4	380.3
In-process	65.1	95.4
Finished metal	89.0	83.3
Materials and supplies	762.7	797.6
	<b>1,650.1</b>	1,688.5
Provision for impairment of inventory <sup>(c)</sup>	<b>(144.2)</b>	(170.7)
	<b>1,505.9</b>	1,517.8
Long-term portion of ore in stockpiles and ore on leach pads <sup>(a),(b)</sup>	<b>(216.3)</b>	(194.9)
	<b>\$ 1,289.6</b>	\$ 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 2019, 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. See Note 6(ii).

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### iv. Property, plant and equipment:

	Mineral Interests <sup>(b)</sup>			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
<b>Cost</b>				
Balance at January 1, 2014	\$ 6,699.3	\$ 8,172.3	\$ 177.4	\$ 15,049.0
Additions	142.9	100.3	-	243.2
Acquisitions	-	-	-	-
Capitalized interest	15.7	19.1	-	34.8
Disposals	(6.3)	(0.1)	-	(6.4)
Other	6.0	(2.3)	-	3.7
Balance at June 30, 2014	6,857.6	8,289.3	177.4	15,324.3
<b>Accumulated depreciation, depletion, amortization and impairment</b>				
Balance at January 1, 2014	\$ (3,589.9)	\$ (4,876.4)	\$ -	\$ (8,466.3)
Depreciation, depletion and amortization	(184.9)	(219.4)	-	(404.3)
Disposals	5.4	-	-	5.4
Other	(2.7)	0.5	-	(2.2)
Balance at June 30, 2014	(3,772.1)	(5,095.3)	-	(8,867.4)
Net book value	\$ 3,085.5	\$ 3,194.0	\$ 177.4	\$ 6,456.9
<b>Amount included above as at June 30, 2014:</b>				
Assets under construction	\$ 538.7	\$ 101.6	\$ -	\$ 640.3
Assets not being depreciated <sup>(a)</sup>	\$ 745.9	\$ 726.9	\$ 177.4	\$ 1,650.2

(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 June 30, 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.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

	Mineral Interests <sup>(b)</sup>			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
<b>Cost</b>				
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
<b>Balance at December 31, 2013</b>	<b>6,699.3</b>	<b>8,172.3</b>	<b>177.4</b>	<b>15,049.0</b>
<b>Accumulated depreciation, depletion, amortization and impairment</b>				
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 <sup>(c)</sup>	(1,231.5)	(1,652.1)	-	(2,883.6)
Disposals	20.2	-	-	20.2
Other	(64.5)	63.0	-	(1.5)
<b>Balance at December 31, 2013</b>	<b>(3,589.9)</b>	<b>(4,876.4)</b>	<b>-</b>	<b>(8,466.3)</b>
<b>Net book value</b>	<b>\$ 3,109.4</b>	<b>\$ 3,295.9</b>	<b>\$ 177.4</b>	<b>\$ 6,582.7</b>
<b>Amount included above as at December 31, 2013:</b>				
Assets under construction	\$ 581.9	\$ 132.4	\$ -	\$ 714.3
Assets not being depreciated <sup>(a)</sup>	\$ 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.

Property, plant and equipment with a carrying amount of \$147.9 million (December 31, 2013 - \$154.7 million) are pledged as security as part of the Kupol loan. See Note 10 (iii).

Capitalized interest primarily relates to capital expenditures at Fort Knox, Round Mountain, Paracatu, Kupol, Chirano and Tasiast and had a weighted average borrowing rate of 1.2% and 2.2% during the three and six months ended June 30, 2014, respectively (three and six months ended June 30, 2013 – 0.9% and 2.1%, respectively).

At June 30, 2014, \$660.5 million of exploration and evaluation (“E&E”) assets were included in mineral interests (December 31, 2013 - \$660.5 million). During the six months ended June 30, 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 and six months ended June 30, 2014, the Company expensed \$1.6 million and \$2.5 million, respectively (three and six months ended June 30, 2013 – \$4.5 million and \$5.1 million, respectively), of E&E expenditures. The Company recognized property, plant and equipment impairment charges related to E&E assets for the three and six months ended June 30, 2014 of \$nil (three and six months ended June 30, 2013 - \$80.6 million).

The Company had cash expenditures for E&E included in operating cash flows for the three and six months ended June 30, 2014 of \$1.6 million and \$2.5 million, respectively (three and six months ended June 30, 2013 – \$4.5 million and \$5.1

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

million, respectively), and investing cash flows for the three and six months ended June 30, 2014 of \$nil (three and six months ended June 30, 2013 – \$nil).

### 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 Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Tasiast	Chirano	Other Operations <sup>(b)</sup>	Total
<b>Cost</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Balance at June 30, 2014</b>	<b>\$ 145.9</b>	<b>\$ 164.9</b>	<b>\$ 190.3</b>	<b>\$ 20.9</b>	<b>\$ 827.2</b>	<b>\$ 396.1</b>	<b>\$ 4,620.4</b>	<b>\$ 918.6</b>	<b>\$ 278.2</b>	<b>\$ 7,562.5</b>
<b>Accumulated impairment</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Balance at June 30, 2014</b>	<b>\$ (145.9)</b>	<b>\$ (164.9)</b>	<b>\$ (65.9)</b>	<b>\$ -</b>	<b>\$ (668.4)</b>	<b>\$ (396.1)</b>	<b>\$ (4,620.4)</b>	<b>\$ (918.6)</b>	<b>\$ (274.3)</b>	<b>\$ (7,254.5)</b>
<b>Carrying amount at June 30, 2014</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124.4</b>	<b>\$ 20.9</b>	<b>\$ 158.8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3.9</b>	<b>\$ 308.0</b>
	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Tasiast	Chirano	Other Operations <sup>(b)</sup>	Total
<b>Cost</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2013</b>	<b>\$ 145.9</b>	<b>\$ 164.9</b>	<b>\$ 190.3</b>	<b>\$ 20.9</b>	<b>\$ 827.2</b>	<b>\$ 396.1</b>	<b>\$ 4,620.4</b>	<b>\$ 918.6</b>	<b>\$ 278.2</b>	<b>\$ 7,562.5</b>
<b>Accumulated impairment</b>										
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 <sup>(a)</sup>	(58.7)	(65.5)	-	-	-	(175.9)	-	(359.8)	(168.8)	(828.7)
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at December 31, 2013</b>	<b>\$ (145.9)</b>	<b>\$ (164.9)</b>	<b>\$ (65.9)</b>	<b>\$ -</b>	<b>\$ (668.4)</b>	<b>\$ (396.1)</b>	<b>\$ (4,620.4)</b>	<b>\$ (918.6)</b>	<b>\$ (274.3)</b>	<b>\$ (7,254.5)</b>
<b>Carrying amount at December 31, 2013</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124.4</b>	<b>\$ 20.9</b>	<b>\$ 158.8</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3.9</b>	<b>\$ 308.0</b>

(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 June 30, 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:

	June 30, 2014		December 31, 2013	
	Fair value	Gains (losses) in AOCI	Fair value	Gains (losses) in AOCI
Investments in an unrealized gain position	\$ 26.8	\$ 10.6	\$ 17.6	\$ 1.6
Investments in an unrealized loss position	\$ 3.5	\$ (1.6)	\$ 2.8	\$ (2.2)
	<b>\$ 30.3</b>	<b>\$ 9.0</b>	<b>\$ 20.4</b>	<b>\$ (0.6)</b>

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### vii. Deferred charges and other long-term assets:

	June 30, 2014	December 31, 2013
Long-term portion of ore in stockpiles and ore on leach pads <sup>(a)</sup>	\$ 216.3	\$ 194.9
Deferred charges, net of amortization	8.1	8.5
Long-term receivables	233.5	209.4
Advances for the purchase of capital equipment	6.1	46.8
Other	39.8	30.9
	\$ 503.8	\$ 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 June 30, 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:

	June 30, 2014	December 31, 2013
Trade payables	\$ 77.1	\$ 118.3
Accrued liabilities	269.3	307.3
Employee related accrued liabilities	98.7	118.9
	\$ 445.1	\$ 544.5

### ix. Accumulated other comprehensive income (loss):

	Long-term Investments <sup>(a)</sup>	Derivative Contracts <sup>(b)</sup>	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	9.6	41.1	50.7
Tax	-	(13.5)	(13.5)
Balance at June 30, 2014	\$ 9.0	\$ (8.3)	\$ 0.7

(a) Balance at December 31, 2012 net of tax of \$(1.9) million

(b) Balance at December 31, 2012 net of tax of \$5.8 million

## Interim Condensed Consolidated Statements of Operations

### x. Other income (expense) – net:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Gains (losses) on sale of other assets - net	\$ 0.1	\$ (0.2)	\$ 0.5	\$ 0.6
Impairment of investments <sup>(a)</sup>	-	(227.5)	-	(233.1)
Foreign exchange losses	(1.3)	(17.7)	(9.6)	(21.3)
Net non-hedge derivative gains (losses)	(0.2)	0.1	(3.6)	0.1
Other	0.3	2.0	5.4	2.0
	\$ (1.1)	\$ (243.3)	\$ (7.3)	\$ (251.7)

(a) During the three and six months ended June 30, 2013, the Company recognized an impairment charge of \$219.0 million related to its investment in Cerro Casale as a result of the impairment assessment disclosed in Note 6. The Company also recognized impairment losses on certain of its available-for-sale investments during the three and six months ended June 30, 2013.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Cerro Casale <sup>(a)</sup>	\$ (0.7)	\$ (1.9)	\$ (2.1)	\$ (2.8)
Puren <sup>(a)</sup>	-	(0.3)	0.1	(0.3)
	\$ (0.7)	\$ (2.2)	\$ (2.0)	\$ (3.1)

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

### xii. Finance expense:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Accretion on reclamation and remediation obligation	\$ (7.1)	\$ (4.5)	\$ (14.1)	\$ (8.9)
Interest expense, including accretion on debt <sup>(a)</sup>	(12.8)	(4.6)	(18.6)	(8.8)
	\$ (19.9)	\$ (9.1)	\$ (32.7)	\$ (17.7)

(a) During the three and six months ended June 30, 2014, \$16.2 million and \$34.8 million, respectively (three and six months ended June 30, 2013, \$18.5 million and \$45.5 million, respectively), of interest was capitalized to property, plant and equipment. See Note 5 iv.

Total interest paid, including interest capitalized, during the three and six months ended June 30, 2014 was \$3.2 million and \$35.0 million, respectively (three and six months ended June 30, 2013 - \$6.0 million and \$42.3 million, respectively).

## 6. IMPAIRMENT

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Goodwill (i)	\$ -	\$ 659.9	\$ -	\$ 659.9
Property, plant and equipment (i)	-	1,738.1	-	1,738.1
Inventory (ii)	-	35.1	-	35.1
	\$ -	\$ 2,433.1	\$ -	\$ 2,433.1

### (i) Goodwill and property, plant and equipment

As at June 30, 2013, the Company identified the decline in metal prices and the deferral of potential construction at Tasiast as indicators of potential impairment, and performed an impairment assessment to determine the recoverable amount of its CGUs using updated assumptions and estimates at that time. The forecasted production output and capital expenditures included in the life of mine ("LOM") plans for all CGUs remained unchanged from the 2012 year-end impairment assessment with the exception of Tasiast, which was based on a 38,000 tonne per day mill, adjusted for the deferral in potential construction and production.

The following table summarizes the impairment charges related to goodwill and property, plant and equipment by CGU recognized as at June 30, 2013:

CGU	Property, plant and equipment		Total
	Goodwill		
Round Mountain	\$ 58.7	\$ 118.7	\$ 177.4
Paracatu	65.5	-	65.5
Maricunga	175.9	27.4	203.3
Tasiast	-	1,409.2	1,409.2
Chirano	359.8	-	359.8
Lobo-Marte	-	182.8	182.8
Total	\$ 659.9	\$ 1,738.1	\$ 2,398.0

During the three and six months ended June 30, 2013, the Company recorded impairment charges aggregating \$2,398.0 million, including \$1,409.2 million of property, plant and equipment at Tasiast, which were recorded within cost of sales in the interim condensed consolidated statement of operations. As a result of the impairment charges related to property, plant and equipment at Round Mountain, Maricunga and Tasiast CGUs, a tax recovery of \$108.7 million was recorded within tax expense. These non-cash impairment charges were primarily due to the reduction in the Company's estimates

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

of future metal prices. The Tasiast impairment charge was also impacted by the deferral of potential construction and production.

As a result of the impairment assessment at June 30, 2013, the Company also recognized an impairment charge related to its investment in Cerro Casale of \$219.0 million, which was recorded in other income (expense).

No impairment charges related to goodwill or property, plant and equipment were recorded in the second quarter of 2014.

### (ii) Inventory

As at June 30, 2013 an impairment charge of \$35.1 million was recorded within cost of sales to reduce the carrying value of inventory to its net realizable value. No impairment charges related to inventory were recorded in the second quarter of 2014.

## 7. 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:

	June 30, 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.

## 8. 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.

## KINROSS GOLD CORPORATION

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

Assets (liabilities) measured at fair value on a recurring basis as at June 30, 2014 include:

	Level 1	Level 2	Level 3	Aggregate Fair Value
Available-for-sale investments	\$ 30.3	\$ -	\$ -	\$ 30.3
Derivative contracts:				
Interest rate swaps	-	(1.3)	-	(1.3)
Foreign currency forward contracts	-	(11.0)	-	(11.0)
Energy swap contracts	-	2.9	-	2.9
Total return swap	-	-	-	-
	\$ 30.3	\$ (9.4)	\$ -	\$ 20.9

During the three and six months ended June 30, 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.

The following table summarizes information about derivative contracts outstanding at June 30, 2014 and December 31, 2013:

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

	June 30, 2014		December 31, 2013	
	Asset / (Liability)		Asset / (Liability)	
	Fair Value	AOCI	Fair Value	AOCI
<b>Interest rate contracts</b>				
Interest rate swaps <sup>(a)</sup> (i)	\$ (1.3)	\$ (1.5)	\$ (2.9)	\$ (2.9)
<b>Currency contracts</b>				
Foreign currency forward contracts <sup>(b)</sup>	(11.0)	(8.4)	(48.9)	(34.1)
<b>Commodity contracts</b>				
Energy swap contracts <sup>(c)</sup>	2.9	1.6	2.7	1.1
<b>Other contracts</b>				
Total return swap	-	-	(0.5)	-
<b>Total all contracts</b>	<b>\$ (9.4)</b>	<b>\$ (8.3)</b>	<b>\$ (49.6)</b>	<b>\$ (35.9)</b>
<b>Unrealized fair value of derivative assets</b>				
Current	3.0		5.1	
Non-current	0.4		0.6	
	<b>\$ 3.4</b>		<b>\$ 5.7</b>	
<b>Unrealized fair value of derivative liabilities</b>				
Current	(9.5)		(41.3)	
Non-current	(3.3)		(14.0)	
	<b>\$ (12.8)</b>		<b>\$ (55.3)</b>	
<b>Total net fair value</b>	<b>\$ (9.4)</b>		<b>\$ (49.6)</b>	

(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, \$(6.9) 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, \$1.4 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 10(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 the 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 10.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 9. CAPITAL AND FINANCIAL RISK MANAGEMENT

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:

	June 30, 2014	December 31, 2013
Long-term debt	\$ 2,026.5	\$ 2,059.6
Current portion of long-term debt	60.0	60.0
Total debt	2,086.5	2,119.6
Common shareholders' equity	6,136.0	6,014.0
Total debt / total debt and common shareholders' equity ratio	25.4%	26.1%
Company target	0 – 30%	0 – 30%

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 10. LONG-TERM DEBT AND CREDIT FACILITIES

	Interest Rates	June 30, 2014				December 31, 2013	
		Nominal Amount	Deferred Financing Costs	Carrying Amount <sup>(a)</sup>	Fair Value <sup>(b)</sup>	Carrying Amount <sup>(a)</sup>	Fair Value <sup>(b)</sup>
Corporate term loan facility	(i) Variable	\$ 500.0	\$ (1.7)	\$ 498.3	\$ 498.3	\$ 996.0	\$ 996.0
Senior notes	(ii) 3.625%- 6.875%	1,492.8	(13.4)	1,479.4	1,549.6	985.4	965.9
Kupol loan	(iii) Variable	110.0	(1.2)	108.8	108.8	138.2	138.2
		2,102.8	(16.3)	2,086.5	2,156.7	2,119.6	2,100.1
Less: current portion		(60.0)	-	(60.0)	(60.0)	(60.0)	(60.0)
Long-term debt		\$ 2,042.8	\$ (16.3)	\$ 2,026.5	\$ 2,096.7	\$ 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 8 (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 June 30, 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 June 30, 2014, interest charges and fees at June 30, 2014 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 the 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 credit rating at June 30, 2014, 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 June 30, 2014.

## KINROSS GOLD CORPORATION

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

On July 28, 2014 the Company extended the maturity dates of the term loan and revolving credit facility by one year to August 10, 2018 and August 10, 2019, respectively. As part of this amendment, the interest charge on the term loan is now LIBOR plus 1.65%, based on the Company's current credit rating, and consequently, the fixed rate on the hedged portion of the term loan is now 2.14%.

#### (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. Property, plant and equipment with a carrying amount of \$147.9 million (December 31, 2013 - \$154.7 million) are pledged as security as part of the Kupol loan.

As at June 30, 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. On July 17, 2014, the Company further amended this facility to increase the amount from \$200.0 million to \$250.0 million. 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 June 30, 2014, \$194.4 million (December 31, 2013 - \$164.1 million) was utilized under this facility.

In addition, at June 30, 2014, the Company had \$43.7 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 June 30, 2014 and December 31, 2013, \$nil was outstanding under such borrowings.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 11. PROVISIONS

	Reclamation and remediation obligations (i)		Other	Total		
Balance at January 1, 2014	\$	664.1	\$	59.9	\$	724.0
Additions		-		10.1		10.1
Reductions		-		(9.1)		(9.1)
Reclamation spending		(5.2)		-		(5.2)
Accretion		14.1		-		14.1
Reclamation expenses		-		-		-
Balance at June 30, 2014	\$	673.0	\$	60.9	\$	733.9
Current portion		15.7		14.5		30.2
Non-current portion		657.3		46.4		703.7
	\$	673.0	\$	60.9	\$	733.9

#### (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 June 30, 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.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 12. 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 six months ended June 30, 2014 and year ended December 31, 2013 is as follows:

	Six months ended June 30, 2014		Year ended December 31, 2013	
	Number of shares (000's)	Amount (\$)	Number of shares (000's)	Amount (\$)
<b>Common shares</b>				
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	967	13.9	1,710	22.9
Under Red Back options	36	0.6	965	17.7
Balance at end of period	1,144,431	\$ 14,589.6	1,143,428	\$ 14,575.1
<b>Common share purchase warrants</b>				
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		\$ 14,751.6		\$ 14,737.1

#### i. Dividends on common shares

No dividends were paid during the three and six months ended June 30, 2014. There were no dividends declared but unpaid at June 30, 2014.

#### ii. Common share purchase warrants

The following table summarizes information about the common share purchase warrants outstanding at June 30, 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 June 30, 2014	25,759	\$ 21.30

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

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 13. SHARE-BASED PAYMENTS

#### i. Share option plan

The following table summarizes information about the share options outstanding and exercisable at June 30, 2014:

	Six months ended June 30, 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	(513)	12.66
Expired	(721)	23.74
Outstanding at end of period	16,367	\$ 10.31
Exercisable at end of period	9,411	\$ 12.68

For the six months ended June 30, 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 six months ended June 30, 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.

## KINROSS GOLD CORPORATION

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

#### ii. Restricted share plan

##### (a) Restricted share units ("RSUs")

The following table summarizes information about the RSUs outstanding at June 30, 2014:

	Six months ended June 30, 2014	
	Number of units (000's)	Weighted average fair value (CDN\$/unit)
Outstanding at January 1, 2014	4,626	\$ 9.08
Granted	4,075	5.66
Reinvested	-	-
Redeemed	(1,655)	10.32
Forfeited	(258)	7.87
Outstanding at end of period	6,788	\$ 6.77

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

The following table summarizes information about the RPSUs outstanding at June 30, 2014:

	Six months ended June 30, 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	(109)	11.75
Outstanding at end of period	2,701	\$ 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 six months ended June 30, 2014 are as follows:

	Six months ended June 30, 2014
DSUs granted (000's)	225
Weighted average grant-date fair value (CDN\$/unit)	\$ 4.49

There were 1,015,948 DSUs outstanding, for which the Company had recognized a liability of \$4.2 million, as at June 30, 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 six months ended June 30, 2014.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 14. EARNINGS (LOSS) PER SHARE

Basic and diluted net earnings (loss) from continuing operations attributable to common shareholders of Kinross for the three and six months ended June 30, 2014 was \$46.0 million and \$77.8 million, respectively (three and six months ended June 30, 2013 - \$(2,481.9) million and \$(2,319.5) million, respectively). Basic and diluted net earnings (loss) attributable to common shareholders of Kinross for the three and six months ended June 30, 2014 was \$44.1 million and \$73.7 million, respectively (three and six months ended June 30, 2013 - \$(3,203.0) million and \$(3,042.5) million, respectively).

(Number of common shares in thousands)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Basic weighted average shares outstanding:	<b>1,144,398</b>	1,141,698	<b>1,144,082</b>	1,141,162
Weighted average shares dilution adjustments:				
Share options <sup>(a)</sup>	<b>8</b>	-	<b>12</b>	-
Restricted shares	<b>6,779</b>	-	<b>6,080</b>	-
Restricted performance shares	<b>2,707</b>	-	<b>2,330</b>	-
Common share purchase warrants <sup>(a)</sup>	-	-	-	-
Diluted weighted average shares outstanding	<b>1,153,892</b>	1,141,698	<b>1,152,504</b>	1,141,162
Weighted average shares dilution adjustments - exclusions: <sup>(b)</sup>				
Share options	<b>16,671</b>	15,047	<b>16,969</b>	15,562
Restricted shares	-	5,143	-	4,929
Restricted performance shares	-	1,518	-	1,328
Common share purchase warrants	<b>25,759</b>	45,454	<b>25,759</b>	45,454
Convertible senior notes	-	-	-	26,930

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the three and six months ended June 30, 2014, the average share price used was \$4.07 and \$4.43, respectively (three and six months ended June 30, 2013: \$5.82 and \$7.02, respectively).

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

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 15. 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) - net, 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.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Operating segments

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

	Operating segments									Non-operating segments <sup>(a)</sup>	
	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other <sup>(b)</sup>	Total	
<b>Three months ended June 30, 2014:</b>											
Revenue											
Metal sales	\$ 111.6	53.7	169.5	83.0	278.2	49.5	84.2	82.1	0.1	\$ 911.9	
Cost of sales											
Production cost of sales	71.7	36.9	114.6	56.2	114.8	24.9	66.5	40.2	0.1	525.9	
Depreciation, depletion and amortization	30.7	5.0	40.5	11.5	58.7	15.6	15.1	35.5	2.7	215.3	
<b>Total cost of sales</b>	<b>102.4</b>	<b>41.9</b>	<b>155.1</b>	<b>67.7</b>	<b>173.5</b>	<b>40.5</b>	<b>81.6</b>	<b>75.7</b>	<b>2.8</b>	<b>741.2</b>	
<b>Gross profit (loss)</b>	<b>\$ 9.2</b>	<b>11.8</b>	<b>14.4</b>	<b>15.3</b>	<b>104.7</b>	<b>9.0</b>	<b>2.6</b>	<b>6.4</b>	<b>(2.7)</b>	<b>\$ 170.7</b>	
Other operating expense (income)	-	-	(0.5)	0.4	-	0.7	4.2	3.0	7.5	15.3	
Exploration and business development	2.9	-	-	-	2.8	0.8	5.1	4.0	13.4	29.0	
General and administrative	-	-	-	-	2.9	-	-	-	43.3	46.2	
<b>Operating earnings (loss)</b>	<b>\$ 6.3</b>	<b>11.8</b>	<b>14.9</b>	<b>14.9</b>	<b>99.0</b>	<b>7.5</b>	<b>(6.7)</b>	<b>(0.6)</b>	<b>(66.9)</b>	<b>\$ 80.2</b>	
Other income (expense) - net										(1.1)	
Equity in earnings (losses) of associate and joint venture										(0.7)	
Finance income										4.4	
Finance expense										(19.9)	
<b>Earnings from continuing operations before tax</b>										<b>\$ 62.9</b>	
<b>Loss from discontinued operations before tax<sup>(d)</sup></b>										<b>\$ (1.9)</b>	
<b>Three months ended June 30, 2013:</b>											
Revenue											
Metal sales	\$ 139.9	60.3	165.2	77.3	226.9	65.1	86.3	83.4	63.6	\$ 968.0	
Cost of sales											
Production cost of sales	56.9	35.0	101.9	59.3	84.9	22.8	66.6	50.1	36.0	513.5	
Depreciation, depletion and amortization	25.3	9.3	26.3	11.0	27.9	18.8	28.4	31.7	31.4	210.1	
Impairment charges	-	177.4	65.5	203.3	-	-	1,441.0	359.8	186.1	2,433.1	
<b>Total cost of sales</b>	<b>82.2</b>	<b>221.7</b>	<b>193.7</b>	<b>273.6</b>	<b>112.8</b>	<b>41.6</b>	<b>1,536.0</b>	<b>441.6</b>	<b>253.5</b>	<b>3,156.7</b>	
<b>Gross profit (loss)</b>	<b>\$ 57.7</b>	<b>(161.4)</b>	<b>(28.5)</b>	<b>(196.3)</b>	<b>114.1</b>	<b>23.5</b>	<b>(1,449.7)</b>	<b>(358.2)</b>	<b>(189.9)</b>	<b>\$ (2,188.7)</b>	
Other operating expense (income)	-	-	(1.9)	0.1	-	(0.1)	9.2	2.2	(0.1)	9.4	
Exploration and business development	1.1	-	-	0.5	6.2	3.1	9.3	3.0	20.0	43.2	
General and administrative	-	-	-	-	4.3	-	-	-	38.1	42.4	
<b>Operating earnings (loss)</b>	<b>\$ 56.6</b>	<b>(161.4)</b>	<b>(26.6)</b>	<b>(196.9)</b>	<b>103.6</b>	<b>20.5</b>	<b>(1,468.2)</b>	<b>(363.4)</b>	<b>(247.9)</b>	<b>\$ (2,283.7)</b>	
Other income (expense) - net										(243.3)	
Equity in earnings (losses) of associate and joint venture										(2.2)	
Finance income										2.3	
Finance expense										(9.1)	
<b>Earnings (loss) from continuing operations before tax</b>										<b>\$ (2,536.0)</b>	
<b>Loss from discontinued operations before tax<sup>(d)</sup></b>										<b>\$ (727.3)</b>	

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

	Operating segments									Non-operating segments <sup>(a)</sup>	Total	
	Fort Knox	Round Mountain		Paracatu	Maricunga	Kupol	Kettle River-Buckhorn		Tasiast	Chirano		Corporate and other <sup>(b)</sup>
<b>Six months ended June 30, 2014:</b>												
Revenue												
Metal sales	\$ 257.3	108.6	319.5	156.0	459.5	82.8	170.1	173.7	1.8	\$ 1,729.3		
Cost of sales												
Production cost of sales	135.9	74.2	214.7	114.8	181.3	41.3	134.0	84.0	1.7	981.9		
Depreciation, depletion and amortization	59.2	9.6	74.4	16.1	115.1	25.3	31.0	76.0	5.0	411.7		
Total cost of sales	195.1	83.8	289.1	130.9	296.4	66.6	165.0	160.0	6.7	1,393.6		
Gross profit (loss)	\$ 62.2	24.8	30.4	25.1	163.1	16.2	5.1	13.7	(4.9)	\$ 335.7		
Other operating expense	-	-	1.7	3.7	-	1.4	5.6	4.4	16.2	33.0		
Exploration and business development	3.1	0.1	-	-	6.0	1.2	8.3	6.8	26.2	51.7		
General and administrative	-	-	-	-	6.9	-	-	-	82.5	89.4		
Operating earnings (loss)	\$ 59.1	24.7	28.7	21.4	150.2	13.6	(8.8)	2.5	(129.8)	\$ 161.6		
Other income (expense) - net										(7.3)		
Equity in earnings (losses) of associate and joint venture										(2.0)		
Finance income										5.8		
Finance expense										(32.7)		
Earnings from continuing operations before tax										\$ 125.4		
Loss from discontinued operations before tax <sup>(d)</sup>										\$ (4.1)		
<b>Six months ended June 30, 2013:</b>												
Revenue												
Metal sales	\$ 332.9	122.7	362.5	166.0	364.2	128.8	197.7	196.0	155.3	\$ 2,026.1		
Cost of sales												
Production cost of sales	122.8	66.2	203.3	119.1	130.8	43.1	126.8	100.8	76.3	989.2		
Depreciation, depletion and amortization	52.5	14.2	52.4	43.3	42.8	35.2	61.7	65.5	70.2	437.8		
Impairment charges	-	177.4	65.5	203.3	-	-	1,441.0	359.8	186.1	2,433.1		
Total cost of sales	175.3	257.8	321.2	365.7	173.6	78.3	1,629.5	526.1	332.6	3,860.1		
Gross profit (loss)	\$ 157.6	(135.1)	41.3	(199.7)	190.6	50.5	(1,431.8)	(330.1)	(177.3)	\$ (1,834.0)		
Other operating expense (income)	-	-	1.2	-	-	(0.2)	23.5	2.5	6.4	33.4		
Exploration and business development	1.6	0.1	-	0.6	12.1	5.6	18.5	6.2	37.0	81.7		
General and administrative	-	-	-	-	7.2	-	-	-	74.7	81.9		
Operating earnings (loss)	\$ 156.0	(135.2)	40.1	(200.3)	171.3	45.1	(1,473.8)	(338.8)	(295.4)	\$ (2,031.0)		
Other income (expense) - net										(251.7)		
Equity in earnings (losses) of associate and joint venture										(3.1)		
Finance income										4.3		
Finance expense										(17.7)		
Earnings (loss) from continuing operations before tax										\$ (2,299.2)		
Loss from discontinued operations before tax <sup>(d)</sup>										\$ (729.2)		

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

	Operating segments								Non-operating segments <sup>(a)</sup>		Total
	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other <sup>(b)</sup>	Discontinued Operation <sup>(c)</sup>	
Property, plant and equipment at:											
June 30, 2014	\$ 490.3	170.4	1,815.3	146.6	1,097.9	31.0	1,101.6	1,051.3	552.5	-	\$ 6,456.9
Total assets at:											
June 30, 2014	\$ 712.1	229.3	2,097.6	375.3	2,068.9	79.5	1,795.9	1,230.7	1,587.2	2.1	\$ 10,178.6
Capital expenditures for three months ended June 30, 2014 <sup>(c)</sup>	\$ 29.4	9.5	17.2	11.5	17.0	1.3	18.0	28.4	8.4	-	\$ 140.7
Capital expenditures for six months ended June 30, 2014 <sup>(c)</sup>	\$ 56.5	15.7	25.0	20.8	52.9	2.8	51.9	42.7	9.7	-	\$ 278.0
	Operating segments								Non-operating segments <sup>(a)</sup>		Total
	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other <sup>(b)</sup>	Discontinued Operation <sup>(c)</sup>	
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 June 30, 2013 <sup>(c)</sup>	\$ 29.6	13.6	26.8	10.4	24.7	1.1	185.4	29.7	6.3	6.1	\$ 333.7
Capital expenditures for six months ended June 30, 2013 <sup>(c)</sup>	\$ 79.8	23.9	32.9	26.4	54.1	2.3	368.0	62.4	12.9	14.3	\$ 677.0

(a) Non-operating segments include development properties.

(b) Includes corporate, Cerro Casale, shutdown 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 June 30, 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.

## 16. 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.

## KINROSS GOLD CORPORATION

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

#### 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. 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 were heard by the Ontario Court of Appeal on June 11, 2014. Kinross expects a decision on the appeal by year-end 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.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### 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 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.

### 17. 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.

The following tables contain separate financial information related to the guarantor subsidiaries as set out in the consolidating balance sheets as at June 30, 2014 and December 31, 2013 and the consolidating statements of operations, statements of comprehensive income (loss) and statements of cash flows for the six months ended June 30, 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.

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating balance sheet as at June 30, 2014

	Guarantors			Total Guarantors	Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$ 260.9	\$ 104.5	\$ -	\$ 365.4	\$ 373.3	\$ -	\$ 738.7
Restricted cash	-	3.9	-	3.9	39.4	-	43.3
Accounts receivable and other assets	6.7	113.1	-	119.8	235.0	-	354.8
Intercompany receivables	689.2	3,512.1	(437.1)	3,764.2	4,515.0	(8,279.2)	-
Inventories	4.1	454.0	-	458.1	831.5	-	1,289.6
Unrealized fair value of derivative assets	-	0.1	-	0.1	2.9	-	3.0
	960.9	4,187.7	(437.1)	4,711.5	5,997.1	(8,279.2)	2,429.4
Non-current assets							
Property, plant and equipment	28.2	2,771.4	-	2,799.6	3,657.3	-	6,456.9
Goodwill	-	124.3	-	124.3	183.7	-	308.0
Long-term investments	30.2	0.1	-	30.3	-	-	30.3
Investments in associate and joint venture	-	17.6	-	17.6	297.4	-	315.0
Intercompany investments	6,053.4	(1,193.5)	(2,772.3)	2,087.6	7,285.6	(9,373.2)	-
Unrealized fair value of derivative assets	-	-	-	-	0.4	-	0.4
Deferred charges and other long-term assets	8.1	191.0	-	199.1	304.7	-	503.8
Long-term intercompany receivables	2,306.5	480.3	(1,708.1)	1,078.7	2,782.7	(3,861.4)	-
Deferred tax assets	-	40.5	-	40.5	94.3	-	134.8
<b>Total assets</b>	<b>\$ 9,387.3</b>	<b>\$ 6,619.4</b>	<b>\$ (4,917.5)</b>	<b>\$ 11,089.2</b>	<b>\$ 20,603.2</b>	<b>\$ (21,513.8)</b>	<b>\$ 10,178.6</b>
<b>Liabilities</b>							
Current liabilities							
Accounts payable and accrued liabilities	\$ 68.5	\$ 166.3	\$ -	\$ 234.8	\$ 210.3	\$ -	\$ 445.1
Intercompany payables	326.6	797.6	(437.0)	687.2	7,587.2	(8,274.4)	-
Current tax payable	-	1.4	-	1.4	24.6	-	26.0
Current portion of long-term debt	-	-	-	-	60.0	-	60.0
Current portion of provisions	-	11.2	-	11.2	19.0	-	30.2
Current portion of unrealized fair value of derivative liabilities	1.6	7.9	-	9.5	-	-	9.5
	396.7	984.4	(437.0)	944.1	7,901.1	(8,274.4)	570.8
Non-current liabilities							
Long-term debt	1,977.7	-	-	1,977.7	48.8	-	2,026.5
Provisions	11.0	490.0	-	501.0	202.7	-	703.7
Unrealized fair value of derivative liabilities	2.0	1.3	-	3.3	-	-	3.3
Other long-term liabilities	-	136.5	-	136.5	13.3	-	149.8
Long-term intercompany payables	863.9	2,088.3	(1,708.2)	1,244.0	2,622.2	(3,866.2)	-
Deferred tax liabilities	-	146.6	-	146.6	366.7	-	513.3
<b>Total liabilities</b>	<b>3,251.3</b>	<b>3,847.1</b>	<b>(2,145.2)</b>	<b>4,953.2</b>	<b>11,154.8</b>	<b>(12,140.6)</b>	<b>3,967.4</b>
<b>Equity</b>							
Common shareholders' equity							
Common share capital and common share purchase w warrants	\$ 14,751.6	\$ 2,975.3	\$ (2,975.3)	\$ 14,751.6	\$ 16,244.1	\$ (16,244.1)	\$ 14,751.6
Contributed surplus	81.1	82.8	(82.8)	81.1	2,352.0	(2,352.0)	81.1
Accumulated deficit	(8,697.4)	(279.4)	279.4	(8,697.4)	(9,208.8)	9,208.8	(8,697.4)
Accumulated other comprehensive income (loss)	0.7	(6.4)	6.4	0.7	(14.1)	14.1	0.7
<b>Total common shareholders' equity</b>	<b>6,136.0</b>	<b>2,772.3</b>	<b>(2,772.3)</b>	<b>6,136.0</b>	<b>9,373.2</b>	<b>(9,373.2)</b>	<b>6,136.0</b>
Non-controlling interest	-	-	-	-	75.2	-	75.2
<b>Total equity</b>	<b>6,136.0</b>	<b>2,772.3</b>	<b>(2,772.3)</b>	<b>6,136.0</b>	<b>9,448.4</b>	<b>(9,373.2)</b>	<b>6,211.2</b>
<b>Total liabilities and equity</b>	<b>\$ 9,387.3</b>	<b>\$ 6,619.4</b>	<b>\$ (4,917.5)</b>	<b>\$ 11,089.2</b>	<b>\$ 20,603.2</b>	<b>\$ (21,513.8)</b>	<b>\$ 10,178.6</b>

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating balance sheet as at December 31, 2013

	Guarantors			Total Guarantors	Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
<b>Assets</b>							
<b>Current assets</b>							
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
<b>Non-current assets</b>							
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
<b>Total assets</b>	<b>\$ 9,208.3</b>	<b>\$ 6,474.6</b>	<b>\$ (4,657.3)</b>	<b>\$ 11,025.6</b>	<b>\$ 20,236.5</b>	<b>\$ (20,975.4)</b>	<b>\$ 10,286.7</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
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
<b>Non-current liabilities</b>							
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
<b>Total liabilities</b>	<b>3,194.3</b>	<b>3,786.7</b>	<b>(1,969.4)</b>	<b>5,011.6</b>	<b>10,805.8</b>	<b>(11,620.6)</b>	<b>4,196.8</b>
<b>Equity</b>							
<b>Common shareholders' equity</b>							
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)
<b>Total common shareholders' equity</b>	<b>6,014.0</b>	<b>2,687.9</b>	<b>(2,687.9)</b>	<b>6,014.0</b>	<b>9,354.8</b>	<b>(9,354.8)</b>	<b>6,014.0</b>
Non-controlling interest	-	-	-	-	75.9	-	75.9
<b>Total equity</b>	<b>6,014.0</b>	<b>2,687.9</b>	<b>(2,687.9)</b>	<b>6,014.0</b>	<b>9,430.7</b>	<b>(9,354.8)</b>	<b>6,089.9</b>
<b>Total liabilities and equity</b>	<b>\$ 9,208.3</b>	<b>\$ 6,474.6</b>	<b>\$ (4,657.3)</b>	<b>\$ 11,025.6</b>	<b>\$ 20,236.5</b>	<b>\$ (20,975.4)</b>	<b>\$ 10,286.7</b>

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of operations for the six months ended June 30, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
<b>Revenue</b>							
Metal sales	\$ 512.8	\$ 835.4	\$ (454.7)	\$ 893.5	\$ 835.8	\$ -	\$ 1,729.3
<b>Cost of sales</b>							
Production cost of sales	504.1	542.3	(454.7)	591.7	390.2	-	981.9
Depreciation, depletion and amortization	3.8	168.0	-	171.8	239.9	-	411.7
<b>Total cost of sales</b>	<b>507.9</b>	<b>710.3</b>	<b>(454.7)</b>	<b>763.5</b>	<b>630.1</b>	<b>-</b>	<b>1,393.6</b>
<b>Gross profit (loss)</b>	<b>4.9</b>	<b>125.1</b>	<b>-</b>	<b>130.0</b>	<b>205.7</b>	<b>-</b>	<b>335.7</b>
Other operating expense	1.5	16.3	-	17.8	15.2	-	33.0
Exploration and business development	11.0	9.4	-	20.4	31.3	-	51.7
General and administrative	51.4	2.4	-	53.8	35.6	-	89.4
<b>Operating earnings (loss)</b>	<b>(59.0)</b>	<b>97.0</b>	<b>-</b>	<b>38.0</b>	<b>123.6</b>	<b>-</b>	<b>161.6</b>
Other income (expense) - net	4.8	(12.4)	-	(7.6)	300.6	(300.3)	(7.3)
Equity in earnings (losses) of associate, joint venture and intercompany investments	133.9	(15.1)	(62.6)	56.2	(2.2)	(56.0)	(2.0)
Finance income	14.4	1.0	(1.1)	14.3	30.6	(39.1)	5.8
Finance expense	(16.3)	(12.8)	1.1	(28.0)	(43.8)	39.1	(32.7)
<b>Earnings (loss) before tax</b>	<b>77.8</b>	<b>57.7</b>	<b>(62.6)</b>	<b>72.9</b>	<b>408.8</b>	<b>(356.3)</b>	<b>125.4</b>
Income tax recovery (expense) - net	-	4.9	-	4.9	(53.2)	-	(48.3)
Earnings (loss) from continuing operations after tax	77.8	62.6	(62.6)	77.8	355.6	(356.3)	77.1
Loss from discontinued operations after tax	(4.1)	(4.1)	4.1	(4.1)	(4.1)	4.1	(4.1)
<b>Net earnings (loss)</b>	<b>\$ 73.7</b>	<b>\$ 58.5</b>	<b>\$ (58.5)</b>	<b>\$ 73.7</b>	<b>\$ 351.5</b>	<b>\$ (352.2)</b>	<b>\$ 73.0</b>
<b>Net earnings (loss) from continuing operations attributable to:</b>							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (0.7)	\$ -	\$ (0.7)
Common shareholders	\$ 77.8	\$ 62.6	\$ (62.6)	\$ 77.8	\$ 356.3	\$ (356.3)	\$ 77.8
<b>Net earnings (loss) attributable to:</b>							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (0.7)	\$ -	\$ (0.7)
Common shareholders	\$ 73.7	\$ 58.5	\$ (58.5)	\$ 73.7	\$ 352.2	\$ (352.2)	\$ 73.7

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of operations for the six months ended June 30, 2013

	Guarantors			Total Guarantors	Non- guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
<b>Revenue</b>							
Metal sales	\$ -	\$ 1,139.4	\$ -	\$ 1,139.4	\$ 886.7	\$ -	\$ 2,026.1
<b>Cost of sales</b>							
Production cost of sales	-	587.8	-	587.8	401.4	-	989.2
Depreciation, depletion and amortization	2.9	244.1	-	247.0	190.8	-	437.8
Impairment charges	-	449.5	-	449.5	1,983.6	-	2,433.1
<b>Total cost of sales</b>	2.9	1,281.4	-	1,284.3	2,575.8	-	3,860.1
<b>Gross profit (loss)</b>	(2.9)	(142.0)	-	(144.9)	(1,689.1)	-	(1,834.0)
Other operating expense	2.0	1.4	-	3.4	30.0	-	33.4
Exploration and business development	14.7	7.7	-	22.4	59.3	-	81.7
General and administrative	49.3	2.9	-	52.2	29.7	-	81.9
<b>Operating earnings (loss)</b>	(68.9)	(154.0)	-	(222.9)	(1,808.1)	-	(2,031.0)
Other income (expense) - net	0.8	(19.8)	-	(19.0)	(210.3)	(22.4)	(251.7)
Equity in earnings (losses) of associate, joint venture and intercompany investments	(2,257.3)	(1,728.9)	1,967.1	(2,019.1)	(2.8)	2,018.8	(3.1)
Finance income	14.1	1.5	(1.0)	14.6	20.7	(31.0)	4.3
Finance expense	(5.7)	(8.8)	1.0	(13.5)	(35.2)	31.0	(17.7)
<b>Earnings (loss) before taxes</b>	(2,317.0)	(1,910.0)	1,967.1	(2,259.9)	(2,035.7)	1,996.4	(2,299.2)
Income tax recovery (expense) - net	(2.5)	(57.1)	-	(59.6)	40.4	-	(19.2)
Earnings (loss) from continuing operations after tax	(2,319.5)	(1,967.1)	1,967.1	(2,319.5)	(1,995.3)	1,996.4	(2,318.4)
Loss from discontinued operations after tax	(723.0)	(723.0)	723.0	(723.0)	(723.0)	723.0	(723.0)
<b>Net earnings (loss)</b>	\$ (3,042.5)	\$ (2,690.1)	\$ 2,690.1	\$ (3,042.5)	\$ (2,718.3)	\$ 2,719.4	\$ (3,041.4)
<b>Net earnings (loss) from continuing operations attributable to:</b>							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 1.1	\$ -	\$ 1.1
Common shareholders	\$ (2,319.5)	\$ (1,967.1)	\$ 1,967.1	\$ (2,319.5)	\$ (1,996.4)	\$ 1,996.4	\$ (2,319.5)
<b>Net earnings (loss) attributable to:</b>							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 1.1	\$ -	\$ 1.1
Common shareholders	\$ (3,042.5)	\$ (2,690.1)	\$ 2,690.1	\$ (3,042.5)	\$ (2,719.4)	\$ 2,719.4	\$ (3,042.5)

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of comprehensive income (loss) for the six months ended June 30, 2014

	Guarantors			Total Guarantors	Non- guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
<b>Net earnings (loss)</b>	\$ 73.7	\$ 58.5	\$ (58.5)	\$ 73.7	\$ 351.5	\$ (352.2)	\$ 73.0
<b>Other comprehensive income (loss), net of tax:</b>							
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments <sup>(a)</sup>	10.8	-	-	10.8	(1.2)	-	9.6
Reclassification to earnings for impairment charges	-	-	-	-	-	-	-
Changes in fair value of derivative financial instruments designated as cash flow hedges <sup>(b)</sup>	(2.7)	19.0	-	16.3	(1.1)	-	15.2
Accumulated other comprehensive income (loss) related to derivatives settled <sup>(c)</sup>	4.8	7.6	-	12.4	-	-	12.4
	12.9	26.6	-	39.5	(2.3)	-	37.2
Equity in other comprehensive income (loss) of intercompany investments	24.3	-	(26.6)	(2.3)	-	2.3	-
<b>Total comprehensive income (loss)</b>	\$ 110.9	\$ 85.1	\$ (85.1)	\$ 110.9	\$ 349.2	\$ (349.9)	\$ 110.2
Comprehensive income (loss) from continuing operations	\$ 115.0	\$ 89.2	\$ (89.2)	\$ 115.0	\$ 353.3	\$ (354.0)	\$ 114.3
Comprehensive loss from discontinued operations	(4.1)	(4.1)	4.1	(4.1)	(4.1)	4.1	(4.1)
<b>Total comprehensive income (loss)</b>	\$ 110.9	\$ 85.1	\$ (85.1)	\$ 110.9	\$ 349.2	\$ (349.9)	\$ 110.2
<b>Attributable to non-controlling interest</b>	\$ -	\$ -	\$ -	\$ -	\$ (0.7)	\$ -	\$ (0.7)
<b>Attributable to common shareholders</b>	\$ 110.9	\$ 85.1	\$ (85.1)	\$ 110.9	\$ 349.9	\$ (349.9)	\$ 110.9
(a) Net of tax of	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Net of tax of	\$ -	\$ 10.0	\$ -	\$ 10.0	\$ (0.3)	\$ -	\$ 9.7
(c) Net of tax of	\$ -	\$ 3.8	\$ -	\$ 3.8	\$ -	\$ -	\$ 3.8

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of comprehensive income (loss) for the six months ended June 30, 2013

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
<b>Net earnings (loss)</b>	\$ (3,042.5)	\$ (2,690.1)	\$ 2,690.1	\$ (3,042.5)	\$ (2,718.3)	\$ 2,719.4	\$ (3,041.4)
<b>Other comprehensive income (loss), net of tax:</b>							
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments <sup>(a)</sup>	(15.8)	(1.1)	-	(16.9)	(6.3)	-	(23.2)
Reclassification to earnings for impairment charges	10.0	1.0	-	11.0	3.1	-	14.1
Changes in fair value of derivative financial instruments designated as cash flow hedges <sup>(b)</sup>	(7.2)	(28.6)	-	(35.8)	(5.2)	-	(41.0)
Accumulated other comprehensive income (loss) related to derivatives settled <sup>(c)</sup>	(0.3)	0.9	-	0.6	(1.6)	-	(1.0)
	(13.3)	(27.8)	-	(41.1)	(10.0)	-	(51.1)
Equity in other comprehensive income (loss) of intercompany investments	(37.8)	-	27.8	(10.0)	-	10.0	-
<b>Total comprehensive income (loss)</b>	\$ (3,093.6)	\$ (2,717.9)	\$ 2,717.9	\$ (3,093.6)	\$ (2,728.3)	\$ 2,729.4	\$ (3,092.5)
Comprehensive income (loss) from continuing operations	\$ (2,370.6)	\$ (1,994.9)	\$ 1,994.9	\$ (2,370.6)	\$ (2,005.3)	\$ 2,006.4	\$ (2,369.5)
Comprehensive loss from discontinued operations	(723.0)	(723.0)	723.0	(723.0)	(723.0)	723.0	(723.0)
<b>Total comprehensive income (loss)</b>	\$ (3,093.6)	\$ (2,717.9)	\$ 2,717.9	\$ (3,093.6)	\$ (2,728.3)	\$ 2,729.4	\$ (3,092.5)
<b>Attributable to non-controlling interest</b>	\$ -	\$ -	\$ -	\$ -	\$ 1.1	\$ -	\$ 1.1
<b>Attributable to common shareholders</b>	\$ (3,093.6)	\$ (2,717.9)	\$ 2,717.9	\$ (3,093.6)	\$ (2,729.4)	\$ 2,729.4	\$ (3,093.6)
(a) Net of tax of	\$ -	\$ -	\$ -	\$ -	\$ (0.2)	\$ -	\$ (0.2)
(b) Net of tax of	\$ -	\$ (13.7)	\$ -	\$ (13.7)	\$ (2.4)	\$ -	\$ (16.1)
(c) Net of tax of	\$ -	\$ 1.6	\$ -	\$ 1.6	\$ (0.5)	\$ -	\$ 1.1

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of cash flows for the six months ended June 30, 2014

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
<b>Net inflow (outflow) of cash related to the following activities:</b>							
<b>Operating:</b>							
Net earnings (loss) from continuing operations	\$ 77.8	\$ 62.6	\$ (62.6)	\$ 77.8	\$ 355.6	\$ (356.3)	\$ 77.1
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	3.8	168.0	-	171.8	239.9	-	411.7
Losses (gains) on sale of other assets - net	-	(1.4)	-	(1.4)	0.9	-	(0.5)
Impairment charges	-	-	-	-	-	-	-
Impairment of investments	-	-	-	-	-	-	-
Equity in losses (earnings) of associate, joint venture and intercompany investments	(133.9)	15.1	62.6	(56.2)	2.2	56.0	2.0
Non-hedge derivative (gains) losses - net	2.1	0.9	-	3.0	0.6	-	3.6
Settlement of derivative instruments	-	-	-	-	-	-	-
Share-based compensation expense	14.2	-	-	14.2	-	-	14.2
Accretion expense	2.7	9.6	-	12.3	5.2	-	17.5
Deferred tax (recovery) expense	-	(8.2)	-	(8.2)	3.1	-	(5.1)
Foreign exchange (gains) losses and other	0.9	(6.7)	-	(5.8)	(47.4)	-	(53.2)
Changes in operating assets and liabilities:							
Accounts receivable and other assets	(2.0)	(8.6)	-	(10.6)	(52.9)	-	(63.5)
Inventories	(4.1)	(10.4)	-	(14.5)	22.8	-	8.3
Accounts payable and accrued liabilities	(1.9)	(0.8)	-	(2.7)	55.0	-	52.3
<b>Cash flow provided from (used in) operating activities</b>	<b>(40.4)</b>	<b>220.1</b>	<b>-</b>	<b>179.7</b>	<b>585.0</b>	<b>(300.3)</b>	<b>464.4</b>
Income taxes paid	-	(8.8)	-	(8.8)	(81.2)	-	(90.0)
<b>Net cash flow of continuing operations provided from (used in) operating activities</b>	<b>(40.4)</b>	<b>211.3</b>	<b>-</b>	<b>170.9</b>	<b>503.8</b>	<b>(300.3)</b>	<b>374.4</b>
<b>Net cash flow of discontinued operations used in operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.4)</b>	<b>-</b>	<b>(4.4)</b>
<b>Investing:</b>							
Additions to property, plant and equipment	(10.6)	(123.1)	-	(133.7)	(155.2)	-	(288.9)
Net additions to long-term investments and other assets	(0.4)	(16.5)	-	(16.9)	(32.3)	-	(49.2)
Net proceeds from the sale of property, plant and equipment	-	1.4	-	1.4	-	-	1.4
Disposals of short-term investments	-	-	-	-	-	-	-
Decrease (increase) in restricted cash	15.5	0.3	-	15.8	-	-	15.8
Interest received	0.3	1.0	-	1.3	1.2	-	2.5
<b>Net cash flow of continuing operations provided from (used in) investing activities</b>	<b>4.8</b>	<b>(136.9)</b>	<b>-</b>	<b>(132.1)</b>	<b>(186.3)</b>	<b>-</b>	<b>(318.4)</b>
<b>Net cash flow of discontinued operations used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing:</b>							
Issuance of common shares on exercise of options	0.1	-	-	0.1	-	-	0.1
Proceeds from issuance of debt	492.9	249.3	-	742.2	-	-	742.2
Repayment of debt	(500.0)	(249.3)	-	(749.3)	(30.0)	-	(779.3)
Interest paid	(1.3)	(0.3)	-	(1.6)	(1.7)	-	(3.3)
Dividends received from (paid to) common shareholders and subsidiaries	60.0	-	-	60.0	(360.3)	300.3	-
Settlement of derivative instruments	(2.1)	-	-	(2.1)	-	-	(2.1)
Intercompany advances	28.3	(88.4)	-	(60.1)	60.1	-	-
Other	0.3	(0.1)	-	0.2	-	-	0.2
<b>Net cash flow of continuing operations provided from (used in) financing activities</b>	<b>78.2</b>	<b>(88.8)</b>	<b>-</b>	<b>(10.6)</b>	<b>(331.9)</b>	<b>300.3</b>	<b>(42.2)</b>
<b>Net cash flow of discontinued operations used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents of continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.2)</b>	<b>-</b>	<b>(5.2)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>42.6</b>	<b>(14.4)</b>	<b>-</b>	<b>28.2</b>	<b>(24.0)</b>	<b>-</b>	<b>4.2</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>218.3</b>	<b>118.9</b>	<b>-</b>	<b>337.2</b>	<b>397.3</b>	<b>-</b>	<b>734.5</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 260.9</b>	<b>\$ 104.5</b>	<b>\$ -</b>	<b>\$ 365.4</b>	<b>\$ 373.3</b>	<b>\$ -</b>	<b>\$ 738.7</b>

# KINROSS GOLD CORPORATION

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2014 and 2013

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

### Consolidating statement of cash flows for the six months ended June 30, 2013

	Guarantors			Total Guarantors	Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments				
<b>Net inflow (outflow) of cash related to the following activities:</b>							
<b>Operating:</b>							
Net earnings (loss) from continuing operations	\$ (2,319.5)	\$ (1,967.1)	\$ 1,967.1	\$ (2,319.5)	\$ (1,995.3)	\$ 1,996.4	\$ (2,318.4)
Adjustments to reconcile net earnings (loss) from continuing operations to net cash provided from (used in) operating							
Depreciation, depletion and amortization	2.9	244.1	-	247.0	190.8	-	437.8
Loss (gains) on sale of other assets - net	-	(0.8)	-	(0.8)	0.2	-	(0.6)
Impairment charges	-	449.5	-	449.5	1,983.6	-	2,433.1
Impairment of investments	10.0	1.1	-	11.1	222.0	-	233.1
Equity in (earnings) losses of associate, joint venture and intercompany investments	2,257.3	1,728.9	(1,967.1)	2,019.1	2.8	(2,018.8)	3.1
Non-hedge derivative (gains) losses - net	(0.1)	-	-	(0.1)	-	-	(0.1)
Settlement of derivative instruments	0.2	-	-	0.2	-	-	0.2
Share-based compensation expense	18.1	-	-	18.1	-	-	18.1
Accretion expense	0.6	6.1	-	6.7	3.8	-	10.5
Deferred tax (recovery) expense	-	1.4	-	1.4	(186.3)	-	(184.9)
Foreign exchange (gains) losses and other	(3.3)	10.9	-	7.6	30.9	-	38.5
Changes in operating assets and liabilities:							
Accounts receivable and other assets	(0.4)	4.0	-	3.6	(77.7)	-	(74.1)
Inventories	-	0.7	-	0.7	(43.4)	-	(42.7)
Accounts payable and accrued liabilities	(14.7)	9.7	-	(5.0)	97.6	-	92.6
<b>Cash flow provided from (used in) operating activities</b>	<b>(48.9)</b>	<b>488.5</b>	<b>-</b>	<b>439.6</b>	<b>229.0</b>	<b>(22.4)</b>	<b>646.2</b>
Income taxes paid	(1.4)	(78.6)	-	(80.0)	(94.5)	-	(174.5)
<b>Net cash flow of continuing operations provided from (used in) operating activities</b>	<b>(50.3)</b>	<b>409.9</b>	<b>-</b>	<b>359.6</b>	<b>134.5</b>	<b>(22.4)</b>	<b>471.7</b>
<b>Net cash flow of discontinued operations used in operating activities</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.1)</b>	<b>(9.6)</b>	<b>-</b>	<b>(9.7)</b>
<b>Investing:</b>							
Additions to property, plant and equipment	(4.9)	(171.0)	-	(175.9)	(454.6)	-	(630.5)
Net additions to long-term investments and other assets	(0.7)	(10.2)	-	(10.9)	(32.4)	-	(43.3)
Net proceeds from the sale of property, plant and equipment	-	1.3	-	1.3	0.1	-	1.4
Disposals of short-term investments	349.8	-	-	349.8	-	-	349.8
Decrease (increase) in restricted cash	-	(0.9)	-	(0.9)	-	-	(0.9)
Interest received	0.9	0.7	-	1.6	2.6	-	4.2
<b>Net cash flow of continuing operations provided from (used in) investing activities</b>	<b>345.1</b>	<b>(180.1)</b>	<b>-</b>	<b>165.0</b>	<b>(484.3)</b>	<b>-</b>	<b>(319.3)</b>
<b>Net cash flow of discontinued operations used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14.3)</b>	<b>-</b>	<b>(14.3)</b>
<b>Financing:</b>							
Issuance of common shares on exercise of options	3.0	-	-	3.0	-	-	3.0
Proceeds from issuance of debt	-	-	-	-	-	-	-
Repayment of debt	(460.0)	(3.3)	-	(463.3)	(30.0)	-	(493.3)
Interest paid	-	-	-	-	(2.7)	-	(2.7)
Dividends received from (paid to) common shareholders and subsidiaries	(67.2)	(38.1)	-	(105.3)	(8.4)	22.4	(91.3)
Intercompany advances	(269.8)	(135.3)	-	(405.1)	405.1	-	-
Other	(1.7)	-	-	(1.7)	-	-	(1.7)
<b>Net cash flow of continuing operations provided from (used in) financing activities</b>	<b>(795.7)</b>	<b>(176.7)</b>	<b>-</b>	<b>(972.4)</b>	<b>364.0</b>	<b>22.4</b>	<b>(586.0)</b>
<b>Net cash flow of discontinued operations used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Effect of exchange rate changes on cash and cash equivalents of continuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12.0)</b>	<b>-</b>	<b>(12.0)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(500.9)</b>	<b>53.0</b>	<b>-</b>	<b>(447.9)</b>	<b>(21.7)</b>	<b>-</b>	<b>(469.6)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>642.6</b>	<b>177.4</b>	<b>-</b>	<b>820.0</b>	<b>812.7</b>	<b>-</b>	<b>1,632.7</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 141.7</b>	<b>\$ 230.4</b>	<b>\$ -</b>	<b>\$ 372.1</b>	<b>\$ 791.0</b>	<b>\$ -</b>	<b>\$ 1,163.1</b>