KINROSS
TSX: K NYSE: KGC

Kinross Gold Corporation
25 York Street, 17th Floor
Toronto, ON Canada M5J 2V5

SECOND QUARTER 2016 REPORT

Kinross reports 2016 second-quarter results

Adjusted operating cash flow increases by 16% and attributable margins by 14%
Maintained strong balance sheet with robust cash position of $968 million

Toronto, Ontario – July 27, 2016 – Kinross Gold Corporation (TSX: K, NYSE: KGC) today announced its results for the second quarter ended June 30, 2016.

(This report contains forward-looking information about expected future events and financial and operating performance of the Company. We refer to the risks and assumptions set out in our Cautionary Statement on Forward-Looking Information located on page 53 of this report. All dollar amounts are expressed in U.S. dollars, unless otherwise noted.)

2016 second quarter highlights:

- **Production**[1]**:** 671,267 gold equivalent ounces (Au eq. oz.), compared with 660,898 Au eq. oz. in Q2 2015.
- **Revenue:** $876.4 million, compared with $755.2 million in Q2 2015.
- **Production cost of sales**[2]**:** $731 per Au eq. oz., compared with $724 in Q2 2015.
- **All-in sustaining cost**[2]**:** $988 per Au eq. oz. sold, compared with $1,011 in Q2 2015. All-in sustaining cost per gold ounce (Au oz.) sold on a by-product basis was $976 in Q2 2016, compared with $1,006 in Q2 2015.
- **Adjusted operating cash flow**[2]**:** $187.2 million, or $0.15 per share, compared with $161.4 million, or $0.14 per share, in Q2 2015.
- **Adjusted net loss**[2,3]**:** $9.8 million, or $0.01 per share, compared with adjusted net loss of $13.6 million, or $0.01 per share, in Q2 2015.
- **Reported net loss**[3]**:** $25.0 million, or $0.02 per share, compared with a loss of $83.2 million, or $0.07 per share, in Q2 2015.
- **Balance sheet:** Increased cash and cash equivalents to $968.2 million, adding $217.8 million during the quarter, with total liquidity of approximately $2.5 billion.
- **Average realized gold price:** $1,266 per ounce, compared with $1,194 per ounce in Q2 2015.
- **Tasiast update:** Kinross has resolved the expatriate work permit issue with the Government of Mauritania and expects to resume normal operations in the first half of August 2016.
- **Outlook:** Kinross expects to be within its 2016 guidance range for production (2.7 - 2.9 million Au eq. oz.), production cost of sales ($675 - $735 per Au eq. oz.) and all-in sustaining cost ($890 - $990 per Au eq. oz.).

CEO Commentary

J. Paul Rollinson, President and CEO, made the following comments in relation to 2016 second-quarter results:

"Kinross generated robust free cash flow of more than $200 million[4] from its operations and ended the second quarter with approximately $970 million in cash and cash equivalents. We remain on track to be within our full-year guidance range for both production and cost of sales as strong production from Russia and North America offset temporary production curtailments at Tasiast and Maricunga.

"Maricunga resumed operations in early July, subject to the ongoing regulatory proceedings, while at Tasiast, we expect to resume normal operations in the first half of August. We have resolved the expatriate work permit issue with the Government of Mauritania as part of an agreed 'Mauritanization' plan to increase the number of skilled local workers at Tasiast. The required plan is an important milestone for the country and is a positive example of the ongoing partnership between the Government and Kinross.

"Our continued focus on cost management and capital discipline, combined with our high leverage to stronger gold prices, help to ensure we maximize cash generation. With an excellent balance sheet, financial flexibility, a diverse portfolio of producing mines and high-quality development projects, we remain well positioned to deliver value now and for the future."

1 *Unless otherwise stated, production figures in this report are based on Kinross' 90% share of Chirano production.*
2 *These figures are non-GAAP financial measures and are defined and reconciled on pages 46 to 52 of this report.*
3 *Net earnings/loss figures in this release represent "net earnings (loss) attributable to common shareholders".*
4 *Free cash flow is a non-GAAP measure defined as net operating cash flow less capital expenditures.*

Financial results

Summary of financial and operating results

(in millions, except ounces, per share amounts, and per ounce amounts)	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Operating Highlights				
Total gold equivalent ounces[(a)]				
Produced[(c)]	**675,623**	667,529	**1,367,533**	1,303,657
Sold[(c)]	**690,983**	633,148	**1,355,148**	1,274,900
Attributable gold equivalent ounces[(a)]				
Produced[(c)]	**671,267**	660,898	**1,358,730**	1,290,258
Sold[(c)]	**686,752**	626,246	**1,346,149**	1,260,811
Financial Highlights				
Metal sales	**$ 876.4**	$ 755.2	**$ 1,659.0**	$ 1,536.6
Production cost of sales	**$ 506.7**	$ 458.5	**$ 964.4**	$ 913.1
Depreciation, depletion and amortization	**$ 210.2**	$ 216.7	**$ 403.4**	$ 422.9
Impairment charges	**$ -**	$ 24.5	**$ -**	$ 24.5
Operating earnings (loss)	**$ 69.2**	$ (67.8)	**$ 112.0**	$ (25.3)
Net earnings (loss) attributable to common shareholders	**$ (25.0)**	$ (83.2)	**$ 10.0**	$ (89.9)
Basic earnings (loss) per share attributable to common shareholders	**$ (0.02)**	$ (0.07)	**$ 0.01**	$ (0.08)
Diluted earnings (loss) per share attributable to common shareholders	**$ (0.02)**	$ (0.07)	**$ 0.01**	$ (0.08)
Adjusted net earnings (loss) attributable to common shareholders[(b)]	**$ (9.8)**	$ (13.6)	**$ 11.4**	$ 1.7
Adjusted net earnings (loss) per share[(b)]	**$ (0.01)**	$ (0.01)	**$ 0.01**	$ 0.00
Net cash flow provided from operating activities	**$ 315.9**	$ 167.2	**$ 530.4**	$ 417.3
Adjusted operating cash flow[(b)]	**$ 187.2**	$ 161.4	**$ 394.8**	$ 376.2
Adjusted operating cash flow per share[(b)]	**$ 0.15**	$ 0.14	**$ 0.33**	$ 0.33
Average realized gold price per ounce	**$ 1,266**	$ 1,194	**$ 1,223**	$ 1,206
Consolidated production cost of sales per equivalent ounce[(c)] sold[(b)]	**$ 733**	$ 724	**$ 712**	$ 716
Attributable[(a)] production cost of sales per equivalent ounce[(c)] sold[(b)]	**$ 731**	$ 724	**$ 709**	$ 717
Attributable[(a)] production cost of sales per ounce sold on a by-product basis[(b)]	**$ 711**	$ 712	**$ 693**	$ 704
Attributable[(a)] all-in sustaining cost per ounce sold on a by-product basis[(b)]	**$ 976**	$ 1,006	**$ 963**	$ 982
Attributable[(a)] all-in sustaining cost per equivalent ounce[(c)] sold[(b)]	**$ 988**	$ 1,011	**$ 972**	$ 987
Attributable[(a)] all-in cost per ounce sold on a by-product basis[(b)]	**$ 1,027**	$ 1,092	**$ 1,022**	$ 1,071
Attributable[(a)] all-in cost per equivalent ounce[(c)] sold[(b)]	**$ 1,037**	$ 1,094	**$ 1,028**	$ 1,074

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

(b) The definition and reconciliation of these non-GAAP financial measures is included on page 46 to 52 of this news release.

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the second quarter of 2016 was 75.06:1, compared with 72.75:1 for the second quarter of 2015 and for the first six months of 2016 was 77.20:1, compared with 72.84:1 for the first six months of 2015.

The following operating and financial results are based on second-quarter 2016 gold equivalent production. Production and cost measures are on an attributable basis:

Production: Kinross produced 671,267 attributable Au eq. oz. in Q2 2016, a 2% increase compared with Q2 2015, due mainly to higher production at Paracatu and the acquisition of Bald Mountain and 50% of Round Mountain.

Production cost of sales: Production cost of sales per Au eq. oz.[2] was $731 for Q2 2016, compared with $724 for Q2 2015, mainly as a result of higher costs at Tasiast, Chirano, and Fort Knox.

Production cost of sales per Au oz. on a by-product basis[2] was $711 in Q2 2016, compared with $712 in Q2 2015, based on Q2 2016 attributable gold sales of 665,032 ounces and attributable silver sales of 1,630,139 ounces.

All-in sustaining cost: All-in sustaining cost per Au eq. oz. sold[2] decreased to $988 in Q2 2016, compared with $1,011 in Q2 2015. All-in sustaining cost per Au oz. sold on a by-product basis[2] was $976 in Q2 2016, compared with $1,006 in Q2 2015.

Average realized gold price: The average realized gold price in Q2 2016 increased to $1,266 per ounce, compared with $1,194 per ounce in Q2 2015.

Revenue: Revenue from metal sales was $876.4 million in Q2 2016, compared with $755.2 million during the same period in 2015, primarily due to increases in gold equivalent ounces sold and the average realized gold price.

Margins: Kinross' attributable margin per Au eq. oz. sold[5] was $535 per Au eq. oz. for Q2 2016, compared with a Q2 2015 margin of $470 per Au eq. oz.

Operating cash flow: Adjusted operating cash flow[2] was $187.2 million, or $0.15 per share, for Q2 2016, compared with $161.4 million, or $0.14 per share, for Q2 2015.

Earnings/loss: Adjusted net loss[2,3] was $9.8 million, or $0.01 per share, for Q2 2016, compared with adjusted net loss of $13.6 million, or $0.01 per share, for Q2 2015.

Reported net loss[3] was $25.0 million, or $0.02 per share, for Q2 2016, compared with reported net loss of $83.2 million, or $0.07 per share, for Q2 2015, mainly as a result of a $69.4 million tax expense.

Capital expenditures: Capital expenditures decreased to $114.0 million for Q2 2016, compared with $128.5 million for the same period last year, primarily due to lower spending at Fort Knox and Paracatu.

Operating results and update

Mine-by-mine summaries for 2016 second-quarter operating results may be found on pages six and seven of this report. Highlights include the following:

Americas

The region is tracking at the low end of its guidance range for production and high end of guidance range for cost of sales per ounce for the year, with the U.S. mines and Paracatu performing well. At **Fort Knox**, production increased compared with the previous quarter as a result of higher mill throughput and recoveries. Production decreased compared with Q2 2015 mainly as a result of lower mill grades and recoveries. Cost of sales per ounce increased compared with Q1 2016 and Q2 2015 primarily due to higher costs associated with mined operating waste.

Round Mountain continued to perform well, with production in line with Q1 2016, as an increase in the amount of ore processed and strong performance from the heap leach offset lower mill grades. Cost of sales per ounce increased compared with the previous quarter due to higher input costs.

As announced on June 29, 2016, Kinross added 2.4 million Au oz. to the Company's estimated inferred mineral resource[6] at Round Mountain and expects that the Process Solution Management program will produce approximately 200,000 - 230,000 Au eq. oz. over life of mine at a low cost of approximately $200 - $400 per Au eq. oz. (which includes production cost of sales and capital expenditures).

At **Bald Mountain**, production increased compared with Q1 2016 as a result of an increase in ore mined and processed, offset by lower grades. Cost of sales per ounce increased quarter-over-quarter as a result of a higher level of operating stripping.

The Company believes it can substantially increase Bald Mountain's current mineral reserve estimate and extend life of mine by developing additional deposits in the near-term. The current mine plan conservatively assumes an approximate 30% conversion of Bald Mountain's current estimated mineral resources to mineral reserves upon receipt of permits, a process which is proceeding as planned and nearly complete, and completion of modest infill drilling at the Vantage Complex and additional drilling at the Saga deposit.

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5 Attributable margin per equivalent ounce sold is a non-GAAP measure defined as "average realized gold price per ounce" less "attributable production cost of sales per gold equivalent ounce sold."
6 See Kinross' news release dated June 29, 2016 and the "Phase W scoping study" section contained within regarding incremental additions to Round Mountain's mineral resource estimates, which were calculated using a $1,400/oz. gold price assumption.

Kettle-River Buckhorn continued with its strong performance as it nears the end of its mine life, which is expected at year end. Production was largely in line with the previous quarter, with cost of sales per ounce decreasing as a result of slightly higher grades and recoveries.

At **Paracatu**, production was higher compared with Q1 2016 and Q2 2015 mainly due to an increase in ore processed, which included approximately 20,000 Au eq. oz. from the Santo Antonio tailing reprocessing initiative, offset by lower recoveries. Cost of sales per ounce increased slightly compared with the previous quarter mainly due to higher input costs, while costs decreased compared with Q2 2015 mainly as a result of favourable foreign exchange rates and currency hedge losses incurred in 2015.

Due to the lack of rainfall at Paracatu during the 2015-2016 rainy season, the Company now expects to temporarily suspend operation of the mine's Plant 1 facility in the second half of the third quarter. Plant 1 will remain suspended until the water balance rises sufficiently to allow for production to restart. To help mitigate the effect of the lack of rainfall in the area, the Company has increased the water capture area and water conservation activities at the site and commenced operation of an enhanced water pumping system. The Company's 2016 full-year regional and company-wide production guidance includes an allocation to production and costs for a potential curtailment at Paracatu.

At **Maricunga**, production was lower compared with Q1 2016 and Q2 2015 as a result of the regulatory suspension of mining and crushing activities which began on May 2, 2016. Operations resumed on July 9, 2016, the continuation of which remains subject to the ongoing regulatory proceedings. Cost of sales per ounce increased quarter-over-quarter due to the suspension, but was lower year-over-year as the mine incurred higher costs due to the extreme weather event in Q2 2015.

The regulatory suspension was a result of water curtailment orders imposed by Chile's environmental regulatory authority (SMA). As previously announced on March 21, 2016, the Company received notification from the SMA of a resolution commencing a legal process to seek closure of Maricunga's water pumping wells. The Company vigorously disputes the resolution and the curtailment orders and has appeals pending with Chile's Environmental Tribunal[7].

The Company has been assessing Maricunga's mine plan in the context of other capital priorities in its global portfolio and now expects to suspend mining in Q4 2016 and commence rinsing the residual gold from the heap leach pads, with the timing subject to the ongoing regulatory proceedings.

Russia

Kupol and **Dvoinoye** performed well in the second quarter, and achieved higher than expected production and lower cost of sales per ounce in the first half of 2016. As a result, the region expects to be at the higher end of production and at the lower end of cost of sales guidance for the year. Production was lower compared with Q1 2016 and Q2 2015 mainly as a result of anticipated lower grades at both mines, which was offset by an increase in ore processed. Cost of sales per ounce continued to decline mainly due to the sustained benefits from foreign exchange rates and rigorous cost management. Approximately 84,000 Au eq. oz. were produced from processing Dvoinoye ore in Q2 2016.

At the Russian development projects, haulage roads to both Moroshka, located near Kupol, and September Northeast, located near Dvoinoye, have been constructed. Portal construction is expected to begin in Q4 2016 at Moroskha, with mining scheduled to commence in 2018. Camp facilities have been constructed and site preparation is on schedule to be completed in Q4 2016 at September Northeast, with mining expected to commence in early 2017.

West Africa

The region expects to be at the lower end of its 2016 guidance range for production and at the higher end of its range for cost of sales per ounce. At **Tasiast**, production was lower quarter-over-quarter and year-over-year mainly as a result of the 18-day strike which ended on June 11, 2016 and the temporary suspension of mining and processing which began on June 18, 2016. Production cost of sales per ounce increased due to the decrease in

7 For more information on these regulatory proceedings see the Company's second-quarter unaudited Management's Discussion and Analysis report at www.kinross.com.

gold equivalent ounces sold. Tonnes of ore mined increased compared with Q1 2016 and Q2 2015 due to additional heap leach material encountered in the West Branch footwall and planned mine sequencing to support the higher mill throughput rate, which continued to average more than 8,000 tonnes per day (tpd) in the quarter.

The Company and the Government of Mauritania have resolved the expatriate work permit issue as part of reaching a mutually acceptable “Mauritanization” plan to increase the number of local workers who have the necessary skills and experience to work at Tasiast, a requirement under Mauritanian law. Kinross has remobilized its workforce and expects to resume normal mining and processing activities in the first half of August 2016. As a result of the suspension, the Phase One expansion’s expected timing for commercial production may extend to Q2 2018.

Labour negotiations respecting the Company’s collective labour agreement at Tasiast are expected to recommence in the near term following resumption of mining and processing activities.

At **Chirano**, production was lower compared with Q1 2016 and Q2 2015 as the site continued to transition to the Paboase underground deposit, which resulted in lower grades. Production cost of sales per ounce was higher compared with both Q1 2016 and Q2 2015 as a result of fewer ounces sold, higher power costs and increased maintenance costs. The Company expects to mine higher grades and larger volumes from Paboase in the second half of the year resulting in improved mine performance.

Balance sheet and liquidity

As of June 30, 2016, Kinross had cash and cash equivalents of $968.2 million, a decrease of $75.7 million since December 31, 2015, mainly as a result of the $588.0 million used in the acquisition of the Bald Mountain mine and the remaining 50% interest in the Round Mountain mine, offset by net proceeds of $275.7 million from the equity issuance in Q1 2016 and $276.9 million of free cash generated from its operations. The Company also has available credit of $1,499.6 million as of June 30, 2016 for total liquidity of approximately $2.5 billion.

The Company expects that its existing liquidity sources will be sufficient to fund the Tasiast Phase One expansion and the repayment of $250 million in senior notes due in September. After September, Kinross will have no other debt maturities until 2020, as the Company has extended the maturity dates of its $500 million term loan and $1,500 million revolving credit facility by one year to August 10, 2020 and August 10, 2021, respectively.

Outlook

The following section of the report represents forward-looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in the Cautionary Statement on Forward-Looking Information on page 53 of this report.

The Company expects to be within its 2016 production guidance range of approximately 2.7 - 2.9 million Au eq. oz., its production cost of sales guidance range of $675 - $735 per Au eq. oz., and its all-in sustaining cost guidance range of $890 - $990 per Au eq. oz. sold.

Kinross is tracking below its capital expenditure forecast of $755 million and is reviewing timing of its capital spend for the second half of 2016. The Company expects to provide an update in the third quarter.

Other operating costs are now forecast to be approximately $85 million, compared with the previously-stated forecast of $45 million, mainly due to the temporary suspension of mining at Tasiast and Maricunga during the quarter.

Depreciation, depletion and amortization is now forecast to be approximately $350 per Au eq. oz., compared with the previous forecast of $375 per Au eq. oz.

Review of operations

Three months ended June 30,	Gold equivalent ounces				Production cost of sales ($millions)		Production cost of sales/equivalent ounce sold	
	Produced		Sold					
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Fort Knox	**97,221**	116,061	**97,625**	113,697	**$ 77.4**	$ 68.9	**$ 793**	$ 606
Round Mountain	**92,813**	48,448	**91,646**	47,893	**71.3**	36.4	**778**	760
Bald Mountain	**32,704**	-	**35,508**	-	**43.2**	-	**1,217**	-
Kettle River - Buckhorn	**25,031**	29,580	**24,808**	29,524	**18.2**	23.4	**734**	793
Paracatu	**126,774**	110,366	**126,365**	107,169	**87.5**	90.5	**692**	844
Maricunga	**44,304**	47,713	**45,362**	50,957	**42.6**	55.0	**939**	1,079
Americas Total	**418,847**	352,168	**421,314**	349,240	**340.2**	274.2	**807**	785
Kupol	**183,638**	191,160	**198,890**	159,950	**82.9**	78.3	**417**	490
Russia Total	**183,638**	191,160	**198,890**	159,950	**82.9**	78.3	**417**	490
Tasiast	**29,577**	57,890	**28,467**	54,941	**35.3**	58.4	**1,240**	1,063
Chirano (100%)	**43,561**	66,311	**42,312**	69,017	**48.3**	47.6	**1,142**	690
West Africa Total	**73,138**	124,201	**70,779**	123,958	**83.6**	106.0	**1,181**	855
Operations Total	**675,623**	667,529	**690,983**	633,148	**506.7**	458.5	**733**	724
Less Chirano non-controlling interest (10%)	**(4,356)**	(6,631)	**(4,231)**	(6,902)	**(4.8)**	(4.8)		
Attributable Total	**671,267**	660,898	**686,752**	626,246	**$ 501.9**	$ 453.7	**$ 731**	$ 724

Six months ended June 30,	Gold equivalent ounces				Production cost of sales ($millions)		Production cost of sales/equivalent ounce sold	
	Produced		Sold					
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
Fort Knox	**185,021**	198,734	**185,514**	195,700	**$ 139.6**	$ 124.0	**$ 753**	$ 634
Round Mountain	**185,739**	88,710	**182,120**	88,340	**131.7**	72.4	**723**	820
Bald Mountain	**53,126**	-	**46,705**	-	**56.3**	-	**1,205**	-
Kettle River - Buckhorn	**53,343**	53,845	**53,072**	53,691	**40.4**	47.7	**761**	888
Paracatu	**246,150**	235,051	**243,455**	232,098	**167.4**	184.4	**688**	794
Maricunga	**103,380**	104,535	**102,852**	105,333	**89.9**	111.0	**874**	1,054
Americas Total	**826,759**	680,875	**813,718**	675,162	**625.3**	539.5	**768**	799
Kupol	**376,088**	376,889	**374,581**	352,117	**161.1**	169.8	**430**	482
Russia Total	**376,088**	376,889	**374,581**	352,117	**161.1**	169.8	**430**	482
Tasiast	**76,655**	111,899	**76,858**	106,731	**82.5**	110.3	**1,073**	1,033
Chirano (100%)	**88,031**	133,994	**89,991**	140,890	**95.5**	93.5	**1,061**	664
West Africa Total	**164,686**	245,893	**166,849**	247,621	**178.0**	203.8	**1,067**	823
Operations Total	**1,367,533**	1,303,657	**1,355,148**	1,274,900	**964.4**	913.1	**712**	716
Less Chirano non-controlling interest (10%)	**(8,803)**	(13,399)	**(8,999)**	(14,089)	**(9.6)**	(9.4)		
Attributable Total	**1,358,730**	1,290,258	**1,346,149**	1,260,811	**$ 954.8**	$ 903.7	**$ 709**	$ 717

Operating Summary

	Mine	Period	Ownership	Tonnes Ore Mined (1)	Ore Processed (Milled) (1)	Ore Processed (Heap Leach) (1)	Grade (Mill)	Grade (Heap Leach)	Recovery (2)	Gold Eq Production (5)	Gold Eq Sales (5)	Production cost of sales	Production cost of sales/oz	Cap Ex (7)	DD&A
			(%)	('000 tonnes)	('000 tonnes)	('000 tonnes)	(g/t)	(g/t)	(%)	(ounces)	(ounces)	($ millions)	($/ounce)	($ millions)	($ millions)
Americas	Fort Knox	**Q2 2016**	**100**	**6,141**	**3,467**	**4,914**	**0.64**	**0.28**	**83%**	**97,221**	**97,625**	**$ 77.4**	**$ 793**	**$ 15.2**	**$ 22.3**
		Q1 2016	100	6,786	3,246	7,495	0.66	0.26	81%	87,800	87,889	62.2	708	18.0	23.5
		Q4 2015	100	4,454	3,407	6,712	0.66	0.26	82%	87,561	87,426	62.6	716	35.3	31.7
		Q3 2015	100	5,950	3,328	6,697	0.86	0.27	83%	115,258	118,978	66.2	556	37.4	36.8
		Q2 2015	100	6,543	3,345	8,255	0.87	0.28	84%	116,061	113,697	68.9	606	26.7	37.2
	Round Mountain	**Q2 2016**	**100 (8)**	**6,632**	**942**	**6,234**	**0.80**	**0.40**	**80%**	**92,813**	**91,646**	**$ 71.3**	**$ 778**	**$ 12.3**	**$ 20.8**
		Q1 2016 (8)	100 (8)	4,018	869	3,617	1.17	0.44	83%	92,926	90,474	60.4	668	16.3	16.1
		Q4 2015	50	6,392	898	3,724	0.86	0.42	77%	51,034	52,882	37.0	700	14.2	11.0
		Q3 2015	50	6,962	924	4,546	0.91	0.47	81%	58,074	54,559	37.5	687	12.3	12.9
		Q2 2015	50	5,286	748	4,372	1.08	0.40	75%	48,448	47,893	36.4	760	10.8	12.0
	Bald Mountain (8), (9)	**Q2 2016**	**100**	**2,182**	**-**	**2,182**	**-**	**0.48**	**nm**	**32,704**	**35,508**	**$ 43.2**	**$ 1,217**	**$ 4.5**	**$ 8.6**
		Q1 2016 (8)	100	1,766	-	1,766	-	0.62	nm	20,422	11,197	13.1	1,170	1.7	2.0
	Kettle River-Buckhorn	**Q2 2016**	**100**	**101**	**101**	**-**	**7.40**	**-**	**93%**	**25,031**	**24,808**	**$ 18.2**	**$ 734**	**$ -**	**$ 0.8**
		Q1 2016	100	86	107	-	7.23	-	92%	28,312	28,264	22.2	785	-	1.4
		Q4 2015	100	84	90	-	9.67	-	92%	19,301	19,601	14.6	745	-	2.0
		Q3 2015	100	97	106	-	6.93	-	92%	24,222	24,284	19.3	795	-	2.6
		Q2 2015	100	95	130	-	8.58	-	93%	29,580	29,524	23.4	793	-	3.3
	Paracatu	**Q2 2016**	**100**	**12,109**	**12,331**	**-**	**0.44**	**-**	**70%**	**126,774**	**126,365**	**$ 87.5**	**$ 692**	**$ 15.9**	**$ 35.4**
		Q1 2016	100	11,825	11,439	-	0.44	-	73%	119,376	117,090	79.9	682	10.7	35.4
		Q4 2015	100	10,730	9,738	-	0.51	-	76%	113,547	117,796	89.2	757	30.1	34.9
		Q3 2015	100	13,969	12,322	-	0.43	-	76%	129,064	134,838	100.7	747	36.9	38.4
		Q2 2015	100	11,435	11,392	-	0.41	-	72%	110,366	107,169	90.5	844	29.4	36.4
	Maricunga (9)	**Q2 2016**	**100**	**1,346**	**-**	**1,475**		**0.61**	**nm**	**44,304**	**45,362**	**$ 42.6**	**$ 939**	**$ 1.3**	**$ 11.6**
		Q1 2016	100	3,947	-	4,254	-	0.69	nm	59,076	57,490	47.3	823	0.8	10.8
		Q4 2015	100	3,870	-	4,099	-	0.78	nm	54,948	56,440	52.6	932	4.7	8.2
		Q3 2015	100	3,476	-	3,822	-	0.74	nm	52,672	52,282	52.5	1,004	5.2	7.3
		Q2 2015	100	2,220	-	1,957	-	0.81	nm	47,713	50,957	55.0	1,079	7.1	6.4
Russia	Kupol (3)(4)(6)	**Q2 2016**	**100**	**513**	**428**	**-**	**12.75**	**-**	**95%**	**183,638**	**198,890**	**$ 82.9**	**$ 417**	**$ 15.1**	**$ 59.9**
		Q1 2016	100	494	416	-	13.92	-	95%	192,450	175,691	78.2	445	27.8	52.9
		Q4 2015	100	449	429	-	13.81	-	96%	191,308	195,465	91.3	467	9.0	73.8
		Q3 2015	100	468	410	-	13.65	-	96%	190,366	217,031	101.7	469	21.4	77.3
		Q2 2015	100	516	423	-	13.43	-	95%	191,160	159,950	78.3	490	10.0	56.3
West Africa	Tasiast	**Q2 2016**	**100**	**1,937**	**489**	**1,542**	**1.39**	**0.45**	**92%**	**29,577**	**28,467**	**$ 35.3**	**$ 1,240**	**$ 36.0**	**$ 22.3**
		Q1 2016	100	1,891	777	1,187	1.51	0.41	91%	47,078	48,391	47.2	975	49.9	22.7
		Q4 2015	100	1,318	689	587	2.27	0.55	89%	53,706	52,146	49.9	957	49.6	26.5
		Q3 2015	100	1,259	618	364	2.21	0.48	92%	53,440	57,163	60.4	1,057	44.1	19.5
		Q2 2015	100	1,609	605	521	2.21	0.56	92%	57,890	54,941	58.4	1,063	31.1	18.7
	Chirano - 100%	**Q2 2016**	**90**	**547**	**882**	**-**	**1.72**	**-**	**91%**	**43,561**	**42,312**	**$ 48.3**	**$ 1,142**	**$ 11.1**	**$ 25.8**
		Q1 2016	90	453	847	-	1.77	-	91%	44,470	47,679	47.2	990	11.7	25.7
		Q4 2015	90	559	853	-	2.32	-	91%	58,123	56,284	42.2	750	11.6	44.1
		Q3 2015	90	873	917	-	2.36	-	91%	63,981	62,792	44.0	701	6.7	42.7
		Q2 2015	90	875	823	-	2.73	-	92%	66,311	69,017	47.6	690	4.9	44.6
	Chirano - 90%	**Q2 2016**	**90**	**547**	**882**	**-**	**1.72**	**-**	**91%**	**39,205**	**38,081**	**$ 43.5**	**$ 1,142**	**$ 10.0**	**$ 23.2**
		Q1 2016	90	453	847	-	1.77	-	91%	40,023	42,911	42.5	990	10.5	23.1
		Q4 2015	90	559	853	-	2.32	-	91%	52,311	50,655	38.0	750	10.4	39.7
		Q3 2015	90	873	917	-	2.36	-	91%	57,583	56,513	39.6	701	6.0	38.4
		Q2 2015	90	875	823	-	2.73	-	92%	59,680	62,115	42.8	689	4.4	40.1

(1) Tonnes of ore mined and processed represent 100% Kinross for all periods presented.

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

(3) The Kupol segment includes the Kupol and Dvoinoye mines.

(4) Kupol silver grade and recovery were as follows: Q2 (2016) 105.89 g/t, 86.5%; Q1 (2016) 104.19 g/t, 88%; Q4 (2015) 100.58 g/t, 87%; Q3 (2015) 100.55 g/t, 88%; Q2 (2015) 106.19 g/t, 87%

(5) Gold equivalent ounces include silver ounces produced and sold converted to a gold equivalent based on the ratio of the average spot market prices for the commodities for each period. The ratios for the quarters presented are as follows: Q2 2016: 75.06:1, Q1 2016: 79.64:1; Q4 2015: 74.78:1; Q3 2015: 75.40:1, Q2 2015: 72.75:1.

(6) Dvoinoye ore processed and grade were as follows: Q2 (2016) 118,057 tonnes, 22.42 g/t; Q1 (2016) 129,675 tonnes, 22.69 g/t; Q4 (2015) 122,987 tonnes, 22.91 g/t; Q3 (2015) 111,806 tonnes, 24.52 g/t; Q2 (2015) 104,465 tonnes, 26.43 g/t.

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

(8) On January 11, 2016, Kinross completed the acquisition of 100% of the Bald Mountain gold mine and the remaining 50% interest in the Round Mountain gold mine. The interim financial statements for the three months ended March 31, 2016 have been recasted to reflect the retrospective impact of the finalization of the purchase price allocation.

(9) "nm" means not meaningful.

This management's discussion and analysis ("MD&A"), prepared as of July 27, 2016, relates to the financial condition and results of operations of Kinross Gold Corporation together with its wholly owned subsidiaries, as at June 30, 2016 and for the three and six months then ended, and is intended to supplement and complement Kinross Gold Corporation's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2016 and the notes thereto (the "interim financial statements"). Readers are cautioned that the MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on Forward Looking Information included with this MD&A and to consult Kinross Gold Corporation's annual audited consolidated financial statements for 2015 and corresponding notes to the financial statements which are available on the Company's web site at www.kinross.com and on www.sedar.com. The interim financial statements and MD&A are presented in U.S. dollars. The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This discussion addresses matters we consider important for an understanding of our financial condition and results of operations as at and for the three and six months ended June 30, 2016, as well as our outlook.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in "Risk Analysis" and in the "Cautionary Statement on Forward-Looking Information" on pages 46 - 47 of this MD&A. In certain instances, references are made to relevant notes in the interim financial statements for additional information.

Where we say "we", "us", "our", the "Company" or "Kinross", we mean Kinross Gold Corporation or Kinross Gold Corporation and/or one or more or all of its subsidiaries, as it may apply. Where we refer to the "industry", we mean the gold mining industry.

1. DESCRIPTION OF THE BUSINESS

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

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

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

Consolidated Financial and Operating Highlights

(in millions, except ounces, per share amounts and per ounce amounts)	Three months ended June 30, 2016	2015	Change	% Change [d]	Six months ended June 30, 2016	2015	Change	% Change [d]
Operating Highlights								
Total gold equivalent ounces [a]								
Produced [c]	**675,623**	667,529	**8,094**	**1%**	**1,367,533**	1,303,657	**63,876**	**5%**
Sold [c]	**690,983**	633,148	**57,835**	**9%**	**1,355,148**	1,274,900	**80,248**	**6%**
Attributable gold equivalent ounces [a]								
Produced [c]	**671,267**	660,898	**10,369**	**2%**	**1,358,730**	1,290,258	**68,472**	**5%**
Sold [c]	**686,752**	626,246	**60,506**	**10%**	**1,346,149**	1,260,811	**85,338**	**7%**
Financial Highlights								
Metal sales	**$ 876.4**	$ 755.2	**$ 121.2**	**16%**	**$ 1,659.0**	$ 1,536.6	**$ 122.4**	**8%**
Production cost of sales	**$ 506.7**	$ 458.5	**$ 48.2**	**11%**	**$ 964.4**	$ 913.1	**$ 51.3**	**6%**
Depreciation, depletion and amortization	**$ 210.2**	$ 216.7	**$ (6.5)**	**(3%)**	**$ 403.4**	$ 422.9	**$ (19.5)**	**(5%)**
Impairment charges	**$ -**	$ 24.5	**$ (24.5)**	**(100%)**	**$ -**	$ 24.5	**$ (24.5)**	**(100%)**
Operating earnings (loss)	**$ 69.2**	$ (67.8)	**$ 137.0**	**nm**	**$ 112.0**	$ (25.3)	**$ 137.3**	**nm**
Net earnings (loss) attributable to common shareholders	**$ (25.0)**	$ (83.2)	**$ 58.2**	**70%**	**$ 10.0**	$ (89.9)	**$ 99.9**	**111%**
Basic earnings (loss) per share attributable to common shareholders	**$ (0.02)**	$ (0.07)	**$ 0.05**	**71%**	**$ 0.01**	$ (0.08)	**$ 0.09**	**113%**
Diluted earnings (loss) per share attributable to common shareholders	**$ (0.02)**	$ (0.07)	**$ 0.05**	**71%**	**$ 0.01**	$ (0.08)	**$ 0.09**	**113%**
Adjusted net earnings (loss) attributable to common shareholders [b]	**$ (9.8)**	$ (13.6)	**$ 3.8**	**28%**	**$ 11.4**	$ 1.7	**$ 9.7**	**nm**
Adjusted net earnings (loss) per share [b]	**$ (0.01)**	$ (0.01)	**$ -**	**-**	**$ 0.01**	$ 0.00	**$ 0.01**	**100%**
Net cash flow provided from operating activities	**$ 315.9**	$ 167.2	**$ 148.7**	**89%**	**$ 530.4**	$ 417.3	**$ 113.1**	**27%**
Adjusted operating cash flow [b]	**$ 187.2**	$ 161.4	**$ 25.8**	**16%**	**$ 394.8**	$ 376.2	**$ 18.6**	**5%**
Capital expenditures	**$ 114.0**	$ 128.5	**$ (14.5)**	**(11%)**	**$ 253.5**	$ 278.0	**$ (24.5)**	**(9%)**
Average realized gold price per ounce	**$ 1,266**	$ 1,194	**$ 72**	**6%**	**$ 1,223**	$ 1,206	**$ 17**	**1%**
Consolidated production cost of sales per equivalent ounce [c] sold [b]	**$ 733**	$ 724	**$ 9**	**1%**	**$ 712**	$ 716	**$ (4)**	**(1%)**
Attributable [a] production cost of sales per equivalent ounce [c] sold [b]	**$ 731**	$ 724	**$ 7**	**1%**	**$ 709**	$ 717	**$ (8)**	**(1%)**
Attributable [a] production cost of sales per ounce sold on a by-product basis [b]	**$ 711**	$ 712	**$ (1)**	**(0%)**	**$ 693**	$ 704	**$ (11)**	**(2%)**
Attributable [a] all-in sustaining cost per ounce sold on a by-product basis [b]	**$ 976**	$ 1,006	**$ (30)**	**(3%)**	**$ 963**	$ 982	**$ (19)**	**(2%)**
Attributable [a] all-in sustaining cost per equivalent ounce [c] sold [b]	**$ 988**	$ 1,011	**$ (23)**	**(2%)**	**$ 972**	$ 987	**$ (15)**	**(2%)**
Attributable [a] all-in cost per ounce sold on a by-product basis [b]	**$ 1,027**	$ 1,092	**$ (65)**	**(6%)**	**$ 1,022**	$ 1,071	**$ (49)**	**(5%)**
Attributable [a] all-in cost per equivalent ounce [c] sold [b]	**$ 1,037**	$ 1,094	**$ (57)**	**(5%)**	**$ 1,028**	$ 1,074	**$ (46)**	**(4%)**

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

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

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the second quarter of 2016 was 75.06:1 (second quarter of 2015 - 72.75:1). The ratio for the first six months of 2016 was 77.20:1 (first six months of 2015 - 72.84:1).

(d) "nm" means not meaningful.

Consolidated Financial Performance

Second quarter 2016 vs. Second quarter 2015

Kinross' attributable production increased slightly compared with the second quarter of 2015, primarily due to the acquisition of Bald Mountain and the remaining 50% interest in Round Mountain (the "acquisition"), and higher production at Paracatu due to an increase in mill throughput and grades, which included gold recovered from the processing of Santo Antonio tailings. These increases were largely offset by lower production at Chirano and Fort Knox due to decreases in grades and at Tasiast due to the temporary suspension of operations and reduced ounces recovered from the dump leach pads.

Metal sales were 16% higher compared with the second quarter of 2015 due to increases in gold equivalent ounces sold and metal prices realized. Gold equivalent ounces sold in the second quarter of 2016 increased to 690,983 ounces from 633,148 ounces in the same period of 2015 due to the increase in production described above and timing of shipments from Kupol. The average gold price realized increased from $1,194 per ounce in the second quarter of 2015 to $1,266 per ounce in the second quarter of 2016.

Production cost of sales increased by 11% compared with the second quarter of 2015, primarily due to higher gold equivalent ounces sold and higher costs at Fort Knox associated with an increase in operating waste mined. These increases were partially offset by lower fuel costs and favourable foreign exchange rates. The increase in production cost of sales resulted in attributable production cost of sales per equivalent ounce sold being slightly higher compared with the second quarter of 2015.

During the second quarter of 2016, depreciation, depletion and amortization decreased by 3% compared with the same period in 2015, primarily due to a decrease in the depreciable asset base at Fort Knox and lower gold equivalent ounces sold at Chirano, partially offset by the increase in the depreciable asset base as a result of the acquisition. In addition, depreciation was higher at Maricunga and Tasiast due to a decrease in mineral reserves at December 31, 2015 and an increase in the depreciable asset base.

Operating earnings in the second quarter of 2016 were $69.2 million compared with an operating loss of $67.8 million in the same period of 2015, primarily due to higher margins (metal sales less production cost of sales), which was largely a result of the increase in the average gold price realized. Also, during the second quarter of 2015 the Company recognized a $24.5 million write-down of the carrying value of inventory at Maricunga as a result of the extreme weather event in Chile. No such charges were recorded in the second quarter of 2016.

During the second quarter of 2016, net loss attributable to common shareholders was $25.0 million, or $0.02 per share, compared with $83.2 million, or $0.07 per share, in the same period of 2015. The change was primarily a result of the increase in operating earnings described above, partially offset by an increase in income tax expense. The Company recorded a tax expense of $69.4 million in the second quarter of 2016 compared with an income tax recovery of $5.4 million in the same period of 2015. The $69.4 million tax expense recognized in the second quarter of 2016 included $31.6 million of recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble and $29.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016. The $5.4 million tax recovery in the second quarter of 2015 included $2.8 million of expense due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble. In addition, tax expense increased due to differences in the level of income in the Company's operating jurisdictions from one period to the next.

The adjusted net loss attributable to common shareholders in the second quarter of 2016 was $9.8 million, or $0.01 per share, compared with an adjusted net loss attributable to common shareholders of $13.6 million, or $0.01 per share, for the same period in 2015. The decrease in adjusted net loss was mainly due to the increase in margins described above.

Net cash flow provided from operating activities increased to $315.9 million in the second quarter of 2016 from $167.2 million in the second quarter of 2015, primarily due to more favourable working capital changes and an increase in margins compared with the same period in 2015.

During the second quarter of 2016, adjusted operating cash flow increased to $187.2 million from $161.4 million in the same period of 2015, primarily due to the increase in operating earnings as described above.

Capital expenditures in the second quarter of 2016 decreased to $114.0 million compared with $128.5 million in the same period of 2015, primarily due to reduced spending at Fort Knox and Paracatu.

Attributable all-in sustaining and all-in cost per equivalent ounce sold and per ounce sold on a by-product basis decreased compared with the second quarter of 2015, primarily due to the increase in gold equivalent ounces sold and decreases in sustaining capital expenditures and general and administrative costs, partially offset by the increase in production cost of sales as explained above.

First six months of 2015 vs. First six months of 2015

During the first six months of 2016, Kinross' attributable production increased by 5% compared with the same period in 2015, primarily due to the acquisition of Bald Mountain and the remaining 50% interest in Round Mountain and higher production at Paracatu due to an increase in mill throughput and grades, which included gold recovered from the processing of Santo Antonio tailings. These increases were largely offset by lower production at Chirano and Fort Knox due to decreases in grades and at Tasiast due to the temporary suspension of operations and reduced ounces recovered from the dump leach pads.

Metal sales increased by 8% in the first six months of 2016 compared with the same period in 2015 due to increases in metal prices realized and gold equivalent ounces sold. The average realized gold price increased to $1,223 per ounce in the first six months of 2016 from $1,206 per ounce in the first half of 2015. Gold equivalent ounces sold in the first half of 2016 increased to 1,355,148 ounces from 1,274,900 ounces in the same period of 2015, primarily due to the increase in production described above.

Production cost of sales increased by 6% compared with the first six months of 2015, primarily due to the increase in gold equivalent ounces sold.

During the first six months of 2016, operating earnings were $112.0 million compared with an operating loss of $25.3 million in the same period of 2015. The change was primarily due to the increase in margins (metal sales less production cost of sales), which was largely a result of the increase in the average gold price realized. Also, during the second quarter of 2015 the Company recognized a $24.5 million write-down of the carrying value of inventory at Maricunga as a result of the extreme weather event in Chile. No such charges were recorded in the first six months of 2016.

Net earnings attributable to common shareholders in the first six months of 2016 were $10.0 million, or $0.01 per share, compared with net loss attributable to common shareholders of $89.9 million, or $0.08 per share, in the first six months of 2015. The change was primarily a result of the increase in operating earnings as described above. In addition, during the first six months of 2016, the Company recorded a tax expense of $56.7 million compared with $19.9 million in the same period of 2015. The $56.7 million tax expense recognized in the first six months of 2016 included $37.8 million of recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble and $29.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016. The $19.9 million tax expense in the first six months of 2015 included $20.5 million of expense due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble. In addition, tax expense increased due to differences in the level of income in the Company's operating jurisdictions from one period to the next.

Adjusted net earnings attributable to common shareholders was $11.4 million, or $0.01 per share, for the first six months of 2016 compared with adjusted net earnings attributable to common shareholders of $1.7 million, or $0.00 per share, for the same period in 2015. The increase in adjusted net earnings was mainly due to the increase in margins described above.

During the first six months of 2016, net cash flow provided from operating activities increased by $113.1 million compared with the same period in 2015. The increase in cash flows was primarily the result of more favourable working capital changes and higher margins.

Adjusted operating cash flow in the first six months of 2016 increased to $394.8 million from $376.2 million in the same period of 2015, primarily due to the increase in operating earnings as described above.

Capital expenditures decreased to $253.5 million compared with $278.0 million in the first six months of 2015, primarily due to reduced spending at Fort Knox and Paracatu.

During the first six months of 2016, attributable all-in sustaining cost and all-in cost per equivalent ounce sold and per ounce sold on a by-product basis decreased compared with the same period in 2015, primarily due to the increase in gold equivalent ounces sold. In addition, non-sustaining capital expenditures decreased in the first six months of 2016 compared with the same period in 2015.

2. IMPACT OF KEY ECONOMIC TRENDS

Kinross' 2015 annual MD&A contains a discussion of key economic trends that affect the Company and its financial statements. Included in this MD&A is an update reflecting significant changes since the preparation of the 2015 annual MD&A.

Price of Gold

The price of gold is the largest single factor in determining profitability and cash flow from operations, therefore, the financial performance of the Company has been, and is expected to continue to be, closely linked to the price of gold. During the second quarter of 2016, the average price of gold was $1,260 per ounce, with gold trading between $1,212 and $1,325 per ounce based on the London PM Fix gold price. This compares to an average of $1,192 per ounce during the second quarter of 2015, with a low of $1,165 and a high of $1,225 per ounce. During the second quarter of 2016, Kinross realized an average price of $1,266 per ounce compared with $1,194 per ounce for the corresponding period in 2015. For the first six months of 2016, the price of gold averaged $1,221 per ounce compared with $1,206 per ounce in the same period of 2015. In the first six months of 2016, Kinross realized an average price of $1,223 per ounce compared with an average price realized of $1,206 per ounce in the first six months of 2015.

Major influences on the gold price during the second quarter of 2016 included the uncertainty ahead of the Brexit vote which resulted in Britain's decision to leave the European Union. This increased volatility and concerns in global markets and boosted safe haven demand in gold. The price of gold also increased as a result of speculation on the timing of the next interest rate hike by the U.S. Federal Reserve, negative interest rate policies in Japan and Europe and an increase in holdings of gold exchange-traded funds.

Cost Pressures

The Company's profitability is subject to industry wide cost pressures on development and operating costs with respect to labour, energy, capital expenditures and consumables in general. Since mining is generally an energy intensive activity, especially in open pit mining, energy prices can have a significant impact on operations. The cost of fuel as a percentage of operating costs varies amongst the Company's mines, and overall, operations have continued to experience lower fuel costs in the second quarter of 2016, reflecting global oil and fuel price decreases that have occurred since the second half of 2014. Kinross manages its exposure to energy costs by entering, from time to time, into various hedge positions – refer to Section 6 *Liquidity and Capital Resources* for details.

Currency Fluctuations

At the Company's non-U.S. mining operations and exploration activities, which are primarily located in Brazil, Chile, Ghana, Mauritania, the Russian Federation, and Canada, a portion of operating costs and capital expenditures are denominated in their respective local currencies. Generally, as the U.S. dollar strengthens, these currencies weaken, and as the U.S. dollar weakens, these foreign currencies strengthen. During the three and six months ended June 30, 2016, the U.S. dollar, on average, was stronger relative to the Russian rouble, Canadian dollar, Chilean peso, Brazilian real and Mauritanian ouguiya compared with the same periods in 2015. The U.S. dollar was weaker relative to the Ghanaian cedi for the three months ended June 30, 2016, but stronger against it for the six months ended June 30, 2016. As at June 30, 2016, the U.S. dollar was weaker compared to the December 31, 2015 spot exchange rates of the Russian rouble, Canadian dollar, Brazilian real, and Chilean peso, and stronger relative to the Ghanaian cedi and Mauritanian ouguiya. In order to manage this risk, the Company uses currency hedges for certain foreign currency exposures – refer to Section 6 *Liquidity and Capital Resources* for details.

3. OUTLOOK

The following section of this MD&A represents forward-looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in the Cautionary Statement on Forward-Looking Information on pages 46 - 47 of this MD&A.

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

Operational Outlook

The Company expects to be within its 2016 production guidance range of approximately 2.7 to 2.9 million gold equivalent ounces, its production cost of sales guidance range of $675 to $735 per gold equivalent ounce, and its all-in sustaining cost guidance range of $890 to $990 per gold equivalent ounce sold.

Kinross is tracking below its capital expenditure forecast of $755 million and is reviewing timing of its capital spend for the second half of 2016. The Company expects to provide an update in the third quarter of 2016.

Other operating costs are now forecast to be approximately $95 million, compared with the previously-stated forecast of $45 million, mainly due to the temporary suspension of mining at Tasiast and Maricunga during the second quarter of 2016.

Depreciation, depletion and amortization is now forecast to be approximately $350 per gold equivalent ounce sold compared with the previous forecast of $375 per gold equivalent ounce sold.

4. PROJECT UPDATES AND NEW DEVELOPMENTS

Tasiast update

The Company and the Government of Mauritania have resolved the expatriate work permit issue as part of reaching a mutually acceptable "Mauritanization" plan to increase the number of local workers who have the necessary skills and experience to work at Tasiast, a requirement under Mauritanian law. Kinross has remobilized its workforce and expects to resume normal mining and processing activities in August 2016. As a result of the suspension, the Phase One expansion's expected timing for commercial production may extend to the second quarter of 2018. Labour negotiations respecting the Company's collective labour agreement at Tasiast are expected to recommence in the near term following resumption of normal mining and processing activities.

Russia projects update

At the Russian development projects, haulage roads to both Moroshka, located near Kupol, and September Northeast, located near Dvoinoye, have been constructed. Portal construction is expected to begin in the fourth quarter of 2016 at Moroskha, with mining scheduled to commence in 2018. Camp facilities have been constructed and site preparation is on schedule to be completed in the fourth quarter of 2016 at September Northeast, with mining expected to commence in early 2017.

Maricunga update

As previously disclosed, the Company has been assessing Maricunga's mine plan in the context of other capital priorities in its global portfolio and now expects to suspend mining in the fourth quarter of 2016 and commence rinsing of the residual gold from the heap leach pads, subject to the ongoing regulatory proceedings (refer to Section 6 *Other legal matters* for details).

Paracatu update

Due to the lack of rainfall at Paracatu during the 2015 to 2016 rainy season, the Company now expects to temporarily suspend operation of the mine's Plant 1 facility in the second half of the third quarter of 2016. Plant 1 will remain suspended until the water balance rises sufficiently to allow for production to restart. To help mitigate the effect of the lack of rainfall in the area, the Company has increased the water capture area and water conservation activities at the site and commenced operation of an enhanced water pumping system. The Company's 2016 full-year regional and company-wide production guidance includes an allocation to production and costs for a potential curtailment at Paracatu.

Acquisition of Bald Mountain and remaining 50% interest in Round Mountain

On January 11, 2016, the Company completed the acquisition of 100% of the Bald Mountain gold mine ("Bald Mountain"), which includes a large associated land package, and the remaining 50% interest in the Round Mountain gold mine (the "acquisition") for $610 million in cash, subject to a working capital adjustment, which reduced the purchase price by $22 million to $588 million.

The acquisition, which was accounted for as a business combination as at January 11, 2016, represents a strategic fit with the Company's open-pit heap leach skill set and existing portfolio of operating assets, and enhances the production profile in the United States.

Equity Offering

On March 4, 2016, the Company completed a public equity offering of 83.4 million common shares at a price of $3.00 per common share for gross proceeds of approximately $250.0 million. On March 15, 2016, the underwriters elected to exercise an option to purchase up to an additional 15% of the offering to cover over-allotments, and as a result, an additional 12.5 million common shares were issued at a price of $3.00 per common share. The sale was completed on March 18, 2016 and increased the gross proceeds from the offering to $287.7 million.

Board of Directors update

The Board of Directors of Kinross appointed Mr. Ian Atkinson as a Director effective February 10, 2016. Mr. Atkinson has more than 40 years of experience in the mining industry and was most recently the President and Chief Executive Officer, and a Director, of Centerra Gold Inc. Mr. Atkinson has extensive background in exploration, project development, and mergers and acquisitions.

Mr. John K. Carrington, who has been a Kinross Board member since 2005, decided to retire and not stand for re-election at the Company's Annual General Meeting of Shareholders held in May 2016.

5. CONSOLIDATED RESULTS OF OPERATIONS

Operating Highlights

	Three months ended June 30,				Six months ended June 30,			
(in millions, except ounces and per ounce amounts)	**2016**	2015	**Change**	**% Change [c]**	**2016**	2015	**Change**	**% Change [c]**
Operating Statistics								
Total gold equivalent ounces [a]								
Produced [b]	**675,623**	667,529	**8,094**	**1%**	**1,367,533**	1,303,657	**63,876**	**5%**
Sold [b]	**690,983**	633,148	**57,835**	**9%**	**1,355,148**	1,274,900	**80,248**	**6%**
Attributable gold equivalent ounces [a]								
Produced [b]	**671,267**	660,898	**10,369**	**2%**	**1,358,730**	1,290,258	**68,472**	**5%**
Sold [b]	**686,752**	626,246	**60,506**	**10%**	**1,346,149**	1,260,811	**85,338**	**7%**
Gold ounces - sold	**669,251**	615,777	**53,474**	**9%**	**1,316,741**	1,240,795	**75,946**	**6%**
Silver ounces - sold (000's)	**1,631**	1,264	**367**	**29%**	**2,959**	2,484	**475**	**19%**
Average realized gold price per ounce	**$ 1,266**	$ 1,194	**$ 72**	**6%**	**$ 1,223**	$ 1,206	**$ 17**	**1%**
Financial Data								
Metal sales	**$ 876.4**	$ 755.2	**$ 121.2**	**16%**	**$ 1,659.0**	$ 1,536.6	**$ 122.4**	**8%**
Production cost of sales	**$ 506.7**	$ 458.5	**$ 48.2**	**11%**	**$ 964.4**	$ 913.1	**$ 51.3**	**6%**
Depreciation, depletion and amortization	**$ 210.2**	$ 216.7	**$ (6.5)**	**(3%)**	**$ 403.4**	$ 422.9	**$ (19.5)**	**(5%)**
Impairment charges	**$ -**	$ 24.5	**$ (24.5)**	**(100%)**	**$ -**	$ 24.5	**$ (24.5)**	**(100%)**
Operating earnings (loss)	**$ 69.2**	$ (67.8)	**$ 137.0**	**nm**	**$ 112.0**	$ (25.3)	**$ 137.3**	**nm**
Net earnings (loss) attributable to common shareholders	**$ (25.0)**	$ (83.2)	**$ 58.2**	**70%**	**$ 10.0**	$ (89.9)	**$ 99.9**	**111%**

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

(b) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the second quarter of 2016 was 75.06:1 (second quarter of 2015 - 72.75:1). The ratio for the first six months of 2016 was 77.20:1 (first six months of 2015 - 72.84:1).

(c) "nm" means not meaningful.

Operating Earnings (Loss) by Segment

	Three months ended June 30,				Six months ended June 30,			
(in millions)	**2016**	2015	**Change**	**% Change** [c]	**2016**	2015	**Change**	**% Change** [c]
Operating segments								
Fort Knox	**$ 23.1**	$ 25.0	**$ (1.9)**	**(8%)**	**$ 40.1**	$ 44.7	**$ (4.6)**	**(10%)**
Round Mountain	**25.0**	8.0	**17.0**	**nm**	**54.5**	13.6	**40.9**	**nm**
Bald Mountain	**(8.8)**	-	**(8.8)**	**(100%)**	**(11.6)**	-	**(11.6)**	**(100%)**
Kettle River-Buckhorn	**12.0**	7.4	**4.6**	**62%**	**21.0**	8.4	**12.6**	**150%**
Paracatu	**34.7**	1.3	**33.4**	**nm**	**53.6**	14.6	**39.0**	**nm**
Maricunga	**(5.1)**	(39.5)	**34.4**	**87%**	**4.7**	(33.4)	**38.1**	**114%**
Kupol [a]	**106.0**	52.8	**53.2**	**101%**	**180.3**	127.1	**53.2**	**42%**
Tasiast	**(41.7)**	(34.0)	**(7.7)**	**(23%)**	**(73.5)**	(47.8)	**(25.7)**	**(54%)**
Chirano	**(26.5)**	(16.6)	**(9.9)**	**(60%)**	**(46.0)**	(23.8)	**(22.2)**	**(93%)**
Non-operating segment								
Corporate and Other [b]	**(49.5)**	(72.2)	**22.7**	**31%**	**(111.1)**	(128.7)	**17.6**	**14%**
Total	**$ 69.2**	$ (67.8)	**$ 137.0**	**nm**	**$ 112.0**	$ (25.3)	**$ 137.3**	**nm**

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

(b) "Corporate and Other" includes operating costs w hich are not directly related to individual mining properties such as overhead expenses, gains and losses on disposal of assets and investments, and other costs relating to non-operating assets (including La Coipa, Lobo-Marte, Cerro Casale and White Gold).

(c) "nm" means not meaningful.

Mining operations

Fort Knox (100% ownership and operator) – USA

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	**Change**	**% Change**	**2016**	2015	**Change**	**% Change**
Operating Statistics								
Tonnes ore mined (000's)	**6,141**	6,543	**(402)**	**(6%)**	**12,927**	12,357	**570**	**5%**
Tonnes processed (000's) [(a)]	**8,381**	11,600	**(3,219)**	**(28%)**	**19,122**	18,520	**602**	**3%**
Grade (grams/tonne)[(b)]	**0.64**	0.87	**(0.23)**	**(26%)**	**0.65**	0.75	**(0.10)**	**(13%)**
Recovery[(b)]	**82.7%**	83.6%	**(0.9%)**	**(1%)**	**82.0%**	83.0%	**(1.0%)**	**(1%)**
Gold equivalent ounces:								
Produced	**97,221**	116,061	**(18,840)**	**(16%)**	**185,021**	198,734	**(13,713)**	**(7%)**
Sold	**97,625**	113,697	**(16,072)**	**(14%)**	**185,514**	195,700	**(10,186)**	**(5%)**
Financial Data (in millions)								
Metal sales	**$ 123.9**	$ 135.6	**$ (11.7)**	**(9%)**	**$ 226.7**	$ 235.7	**$ (9.0)**	**(4%)**
Production cost of sales	**77.4**	68.9	**8.5**	**12%**	**139.6**	124.0	**15.6**	**13%**
Depreciation, depletion and amortization	**22.3**	37.2	**(14.9)**	**(40%)**	**45.8**	61.8	**(16.0)**	**(26%)**
	24.2	29.5	**(5.3)**	**(18%)**	**41.3**	49.9	**(8.6)**	**(17%)**
Exploration and business development	**1.0**	4.0	**(3.0)**	**(75%)**	**1.1**	4.6	**(3.5)**	**(76%)**
Other	**0.1**	0.5	**(0.4)**	**(80%)**	**0.1**	0.6	**(0.5)**	**(83%)**
Segment operating earnings	**$ 23.1**	$ 25.0	**$ (1.9)**	**(8%)**	**$ 40.1**	$ 44.7	**$ (4.6)**	**(10%)**

(a) Includes 4,914,000 and 12,409,000 tonnes placed on the heap leach pads during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 8,255,000 and 11,809,000 tonnes, respectively).

(b) Amount represents mill grade and recovery only. Ore placed on the heap leach pads had an average grade of 0.28 and 0.27 grams per tonne during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 0.28 grams per tonne). Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined in the second quarter of 2016 decreased by 6% compared with the same period in 2015, primarily due to planned mine sequencing. Tonnes of ore processed declined by 28% compared with the second quarter of 2015, mainly due to reduced rehandling of stockpiled ore, which resulted in fewer tonnes placed on the heap leach pads. Mill grades were lower by 26% compared with the second quarter of 2015, largely due to planned mine sequencing. During the second quarter of 2016, gold equivalent ounces produced decreased by 16% compared with the same period in 2015, primarily due to lower mill grades.

Metal sales were 9% lower compared with the second quarter of 2015 due to the decrease in gold equivalent ounces sold, partially offset by a 6% increase in metal prices realized. Production cost of sales were higher by 12% compared with the second quarter of 2015, representing an 18% increase in costs associated with an increase in operating waste mined, partially offset by the decrease in gold equivalent ounces sold and a 3% decrease in fuel costs. Depreciation, depletion and amortization decreased by 40% in the second quarter of 2016 compared with the same period in 2015, mainly due to a decrease in the depreciable asset base resulting from the impairment charge recognized at December 31, 2015 and the decrease in gold equivalent ounces sold.

First six months of 2016 vs. First six months of 2015

During the first six months of 2016, tonnes of ore mined and processed increased by 5% and 3%, respectively, compared with the same period in 2015, primarily due to increased utilization of equipment for mining activities as a result of run of mine ore being stacked on the heap leach pads rather than being stockpiled given the milder weather conditions experienced in the first quarter of 2016. The increase in tonnes of ore processed was partially offset by the reduced rehandling of stockpiled ore in the second quarter of 2016, which resulted in fewer tonnes placed on the heap leach pads. Mill grades were 13% lower compared with the first six months of 2015 as a result of mine sequencing. Gold equivalent ounces produced decreased by 7% compared with the first six months of 2015, primarily due to lower mill grades, partially offset by an increase in gold recovered from the heap leach pads.

Metal sales were 4% lower compared with the first six months of 2015 due to a decrease in gold equivalent ounces sold, partially offset by a slight increase in metal prices realized. During the first six months of 2016, production cost of sales were higher by 13% compared with the same period in 2015, of which 10% was a result of an increase in operating waste mined. In addition, approximately 2% of the increase in production cost of sales was due to higher labour and benefit costs. These increases were partially offset by the decrease in gold equivalent ounces sold and a 3% decrease in fuel costs. Depreciation, depletion and amortization in the first six months of 2016 decreased by 26% compared with the same period in 2015, mainly due to a decrease in the depreciable asset base resulting from the impairment charge recognized at December 31, 2015 and the decrease in gold equivalent ounces sold.

Round Mountain (2016: 100% ownership; 2015: 50% ownership and operator and Barrick 50%) – USA

	Three months ended June 30,				Six months ended June 30,			
	2016 [(a)]	2015	**Change**	**% Change** [(d)]	**2016** [(a)]	2015	**Change**	**% Change** [(d)]
Operating Statistics								
Tonnes ore mined (000's)[(b)]	**6,632**	5,286	**1,346**	**25%**	**10,650**	12,780	**(2,130)**	**(17%)**
Tonnes processed (000's)[(b)]	**7,176**	5,120	**2,056**	**40%**	**11,662**	11,992	**(330)**	**(3%)**
Grade (grams/tonne)[(c)]	**0.80**	1.08	**(0.28)**	**(26%)**	**0.98**	1.01	**(0.03)**	**(3%)**
Recovery[(c)]	**80.1%**	75.4%	**4.7%**	**6%**	**81.7%**	74.5%	**7.2%**	**10%**
Gold equivalent ounces:								
Produced	**92,813**	48,448	**44,365**	**92%**	**185,739**	88,710	**97,029**	**109%**
Sold	**91,646**	47,893	**43,753**	**91%**	**182,120**	88,340	**93,780**	**106%**
Financial Data (in millions)								
Metal sales	**$ 117.4**	$ 57.1	**$ 60.3**	**106%**	**$ 223.8**	$ 107.7	**$ 116.1**	**108%**
Production cost of sales	**71.3**	36.4	**34.9**	**96%**	**131.7**	72.4	**59.3**	**82%**
Depreciation, depletion and amortization	**20.8**	12.0	**8.8**	**73%**	**36.9**	21.0	**15.9**	**76%**
	25.3	8.7	**16.6**	**191%**	**55.2**	14.3	**40.9**	**nm**
Exploration and business development	**0.3**	0.7	**(0.4)**	**(57%)**	**0.7**	0.7	**-**	**-**
Segment operating earnings	**$ 25.0**	$ 8.0	**$ 17.0**	**nm**	**$ 54.5**	$ 13.6	**$ 40.9**	**nm**

(a) On January 11, 2016, Kinross completed its acquisition of the remaining 50% interest in the Round Mountain gold mine from Barrick. Results include 100% of Round Mountain for the second quarter of 2016 and from January 11, 2016 to June 30, 2016, which reflect the recast of the interim financial statements for the first quarter of 2016 as a result of the finalization of the purchase price allocation.

(b) Tonnes of ore mined/processed represent 100% of operations for all periods. Includes 6,234,000 and 9,851,000 tonnes placed on the heap leach pads during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 4,372,000 and 11,098,000 tonnes, respectively).

(c) Amount represents mill grade and recovery only. Ore placed on the heap leach pads had an average grade of 0.40 and 0.42 grams per tonne during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 0.40 grams per tonne). Due to the nature of heap leach operations, point-in-time recovery rates are not meaningful.

(d) "nm" means not meaningful.

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined and processed increased by 25% and 40%, respectively, compared with the second quarter of 2015, largely due to an increase in tonnes placed on the heap leach pads as a result of planned mine sequencing that involved mining a higher proportion of lower grade leachable ore. The decrease in mill grades in the second quarter of 2016 compared with the same period in 2015 was largely due to the metallurgical characteristics of the ore mined. Gold equivalent ounces produced were higher in the second quarter of 2016 compared with the same period in 2015, primarily due to the acquisition of the remaining 50% interest in Round Mountain and higher mill throughput, partially offset by a decrease in ounces recovered from the heap leach pads as a result of fewer ounces previously placed on the pads.

During the second quarter of 2016, metal sales increased to $117.4 million from $57.1 million in the same period of 2015 due to increases in metal prices realized and gold equivalent ounces sold mainly as a result of the acquisition of the remaining 50% interest in Round Mountain. Production cost of sales increased from $36.4 million in the second quarter of 2015 to $71.3 million in the second quarter of 2016, primarily due to the acquisition and higher contractor costs, partially offset by a decrease in the price of fuel and electricity by approximately 30%. Depreciation, depletion and amortization increased to $20.8 million in the second quarter of 2016 from $12.0 million in the same period of 2015, primarily due to increases in gold equivalent ounces sold and depreciable asset base, partially offset by an increase in mineral reserves at December 31, 2015.

First six months of 2016 vs. First six months of 2015

During the first six months of 2016, tonnes of ore mined and processed decreased by 17% and 3%, respectively, compared with the same period in 2015, primarily due to planned mine sequencing and less favourable weather conditions, which resulted in fewer tonnes being placed on the heap leach pads. Mill grades decreased by 3% compared with the first six months of 2015, mainly due to planned mine sequencing. Mill recoveries in the first six months of 2016 were 10% higher compared with the same period in 2015, largely due to improvements in the operating efficiency of the mill as a result of its recommissioning in March 2015 after having been suspended in the fourth quarter of 2014 due to the mill fire. During the first six months of 2016, gold equivalent ounces produced increased by 109% compared with the same period in 2015, primarily due to acquisition of the remaining 50% interest in Round Mountain and the increase in mill throughput and recoveries.

Metal sales increased to $223.8 million in the first six months of 2016 from $107.7 million in the same period of 2015 due to increases in gold equivalent ounces sold mainly as a result of the acquisition of the remaining 50% interest in Round Mountain and an increase in metal prices realized. During the first six months of 2016, production cost of sales increased by 82% compared with the same period in 2015, primarily due to the acquisition, partially offset by lower fuel and reagent costs. Depreciation, depletion and amortization increased to $36.9 million in the first six months of 2016 from $21.0 million in the same period of 2015, primarily due to increases in gold equivalent ounces sold and depreciable asset base, partially offset by an increase in mineral reserves at December 31, 2015.

Bald Mountain (100% ownership and operator) – USA

	Three Months Ended June 30, 2016	Period Ended June 30, 2016
Operating Statistics [a]		
Tonnes ore mined (000's)	2,182	3,948
Tonnes processed (000's)	2,182	3,948
Grade (grams/tonne)	0.48	0.54
Gold equivalent ounces:		
Produced	32,704	53,126
Sold	35,508	46,705
Financial Data (in millions)		
Metal sales	$ 44.9	$ 58.3
Production cost of sales	43.2	56.3
Depreciation, depletion and amortization	8.6	10.6
	(6.9)	(8.6)
Exploration and business development	0.8	1.9
Other	1.1	1.1
Segment operating loss	$ (8.8)	$ (11.6)

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

On January 11, 2016, the Company completed the acquisition of 100% of the Bald Mountain gold mine ("Bald Mountain"), which includes a large associated land package, and the remaining 50% interest in the Round Mountain gold mine for $610 million in cash, subject to a working capital adjustment, which reduced the purchase price by $22 million to $588 million.

During the second quarter of 2016, ore mined and processed at Bald Mountain amounted to 2,182,000 tonnes. Ore placed on the heap leach pad had an average grade of 0.48g/t. Bald Mountain produced 32,704 gold equivalent ounces and sold 35,508 gold equivalent ounces during the second quarter of 2016, with gold equivalent ounces sold exceeding production as ounces produced at the end of the first quarter were sold in the second quarter of 2016. Metal sales of $44.9 million, net of cost of sales, depreciation, depletion and amortization, and exploration and business development expenses, resulted in an operating loss of $8.8 million for the second quarter of 2016.

During the period from January 11, 2016 to June 30, 2016, ore mined and processed at Bald Mountain amounted to 3,948,000 tonnes. Ore placed on the heap leach pad had an average grade of 0.54g/t. Bald Mountain produced 53,126 gold equivalent ounces and sold 46,705 gold equivalent ounces during the period January 11, 2016 to June 30, 2016. Gold equivalent ounces sold were lower than gold equivalent ounces produced as a result of timing of shipments. Metal sales of $58.3 million, net of cost of sales, depreciation, depletion and amortization, and exploration and business development expenses, resulted in an operating loss of $11.6 million for the period from January 11, 2016 to June 30, 2016. These financial results reflect the recast of the interim financial statements for the first quarter of 2016 as a result of the finalization of the purchase price allocation.

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

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Operating Statistics								
Tonnes ore mined (000's)	**101**	95	**6**	**6%**	**187**	188	**(1)**	**(1%)**
Tonnes processed (000's)	**101**	130	**(29)**	**(22%)**	**208**	241	**(33)**	**(14%)**
Grade (grams/tonne)	**7.40**	8.58	**(1.18)**	**(14%)**	**7.31**	7.40	**(0.09)**	**(1%)**
Recovery	**93.4%**	93.3%	**0.1%**	**0%**	**92.6%**	92.5%	**0.1%**	**0%**
Gold equivalent ounces:								
Produced	**25,031**	29,580	**(4,549)**	**(15%)**	**53,343**	53,845	**(502)**	**(1%)**
Sold	**24,808**	29,524	**(4,716)**	**(16%)**	**53,072**	53,691	**(619)**	**(1%)**
Financial Data (in millions)								
Metal sales	**$ 31.6**	$ 35.1	**$ (3.5)**	**(10%)**	**$ 64.4**	$ 64.6	**$ (0.2)**	**(0%)**
Production cost of sales	**18.2**	23.4	**(5.2)**	**(22%)**	**40.4**	47.7	**(7.3)**	**(15%)**
Depreciation, depletion and amortization	**0.8**	3.3	**(2.5)**	**(76%)**	**2.2**	7.4	**(5.2)**	**(70%)**
	12.6	8.4	**4.2**	**50%**	**21.8**	9.5	**12.3**	**129%**
Exploration and business development	**0.6**	0.9	**(0.3)**	**(33%)**	**0.7**	1.0	**(0.3)**	**(30%)**
Other	**-**	0.1	**(0.1)**	**(100%)**	**0.1**	0.1	**-**	**-**
Segment operating earnings	**$ 12.0**	$ 7.4	**$ 4.6**	**62%**	**$ 21.0**	$ 8.4	**$ 12.6**	**150%**

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined increased by 6% compared with the second quarter of 2015, primarily due to planned mine sequencing. During the second quarter of 2016, gold equivalent ounces produced and sold decreased by 15% and 16%, respectively, compared with the same period in 2015, largely due to lower grades and a decrease in mill throughput as Kettle River-Buckhorn nears the end of its mine life, partially offset by the timing of ounces processed through the mill.

During the second quarter of 2016, metal sales decreased by 10% compared with the same period in 2015 due to the decrease in gold equivalent ounces sold, partially offset by a 7% increase in metal prices realized. Production cost of sales decreased by 22% compared with the second quarter of 2015, primarily due to the decrease in gold equivalent ounces sold and lower labour and contractor costs. Depreciation, depletion and amortization decreased by 76% compared with the second quarter of 2015, largely as a result of a decrease in the depreciable asset base as Kettle River-Buckhorn nears the end of its mine life.

First six months of 2016 vs. First six months of 2015

During the first six months of 2016, gold equivalent ounces produced and sold decreased slightly compared with the first six months of 2015, largely due to decreases in grades and mill throughput as Kettle River-Buckhorn nears the end of its mine life, largely offset by the timing of ounces processed through the mill.

Metal sales decreased slightly in the first six months of 2016 compared with the same period in 2015 due to the decrease in gold equivalent ounces sold, largely offset by an increase in metal prices realized. During the first six months of 2016, production cost of sales decreased by 15% compared with the same period in 2015, primarily due to lower labour and contractor costs, and the decrease in gold equivalent ounces sold. Depreciation, depletion and amortization decreased by 70% in the first six months of 2016 compared with the same period in 2015, largely as a result of a decrease in the depreciable asset base as Kettle River-Buckhorn nears the end of its mine life.

Paracatu (100% ownership and operator) – Brazil

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	Change	% Change [(a)]	2016	2015	Change	% Change [(a)]
Operating Statistics								
Tonnes ore mined (000's)	12,109	11,435	674	6%	23,934	23,051	883	4%
Tonnes processed (000's)	12,331	11,392	939	8%	23,770	23,217	553	2%
Grade (grams/tonne)	0.44	0.41	0.03	7%	0.44	0.42	0.02	5%
Recovery	70.2%	72.4%	(2.2%)	(3%)	71.6%	74.6%	(3.0%)	(4%)
Gold equivalent ounces:								
Produced	126,774	110,366	16,408	15%	246,150	235,051	11,099	5%
Sold	126,365	107,169	19,196	18%	243,455	232,098	11,357	5%
Financial Data (in millions)								
Metal sales	$ 159.5	$ 127.9	$ 31.6	25%	$ 298.1	$ 278.6	$ 19.5	7%
Production cost of sales	87.5	90.5	(3.0)	(3%)	167.4	184.4	(17.0)	(9%)
Depreciation, depletion and amortization	35.4	36.4	(1.0)	(3%)	70.8	74.2	(3.4)	(5%)
	36.6	1.0	35.6	nm	59.9	20.0	39.9	nm
Other	1.9	(0.3)	2.2	nm	6.3	5.4	0.9	17%
Segment operating earnings	$ 34.7	$ 1.3	$ 33.4	nm	$ 53.6	$ 14.6	$ 39.0	nm

(a) "nm" means not meaningful.

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined and processed increased by 6% and 8%, respectively, compared with the second quarter of 2015, primarily due to planned mine sequencing. The change in grades and recoveries in the second quarter of 2016 compared with the same period in 2015 was largely due to the metallurgical characteristics of the ore mined. During the second quarter of 2016, gold equivalent ounces produced increased by 15% compared with the same period in 2015, primarily due to the higher mill throughput and grades, which included gold recovered from the processing of Santo Antonio tailings.

Metal sales were 25% higher in the second quarter of 2016 compared with the same period in 2015 due to increases in metal prices realized and gold equivalent ounces sold. Production cost of sales were lower by 3% compared with the second quarter of 2015, primarily due to favourable foreign exchange movements and a decrease in power consumption that reduced power costs by 6%, partially offset by increases in gold equivalent ounces sold and contractor costs related to the Santo Antonio tailings reprocessing project. Depreciation, depletion and amortization were 3% lower compared with the second quarter of 2015, primarily due to the decrease in depreciable asset base, partially offset by the increase in gold equivalent ounces sold

First six months of 2016 vs. First six months of 2015

During the first six months of 2016, tonnes of ore mined and processed increased by 4% and 2%, respectively, compared with the first six months of 2015, primarily due to planned mine sequencing. The change in grades and recoveries in the first six months of 2016 compared with the same period in 2015 was largely due to the metallurgical characteristics of the ore mined. Gold equivalent ounces produced increased by 5% compared with the first six months of 2015, primarily due to the higher mill throughput and grades, which included gold recovered from the processing of Santo Antonio tailings.

Metal sales increased by 7% compared with the first six months of 2015 due to an increase in metal prices realized and gold equivalent ounces sold. Production cost of sales were lower by 9% in the first six months of 2016 compared with the same period in 2015, primarily due to favourable foreign exchange movements on costs such as labour, and a decrease in power consumption that reduced power costs by 9%, partially offset by increases in gold equivalent ounces sold and contractor costs related to the Santo Antonio tailings reprocessing project. Depreciation, depletion and amortization were 5% lower compared with the first six months of 2015, primarily due to the decrease in depreciable asset based, partially offset by the increase in gold equivalent ounces sold.

Maricunga (100% ownership and operator) – Chile

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	**Change**	**% Change**	**2016**	2015	**Change**	**% Change**
Operating Statistics [(a)]								
Tonnes ore mined (000's)	**1,346**	2,220	**(874)**	**(39%)**	**5,293**	4,915	**378**	**8%**
Tonnes processed (000's)	**1,475**	1,957	**(482)**	**(25%)**	**5,729**	4,869	**860**	**18%**
Grade (grams/tonne)	**0.61**	0.81	**(0.20)**	**(25%)**	**0.67**	0.73	**(0.06)**	**(8%)**
Gold equivalent ounces:								
Produced	**44,304**	47,713	**(3,409)**	**(7%)**	**103,380**	104,535	**(1,155)**	**(1%)**
Sold	**45,362**	50,957	**(5,595)**	**(11%)**	**102,852**	105,333	**(2,481)**	**(2%)**
Financial Data (in millions)								
Metal sales	**$ 58.1**	$ 60.8	**$ (2.7)**	**(4%)**	**$ 126.0**	$ 128.3	**$ (2.3)**	**(2%)**
Production cost of sales	**42.6**	55.0	**(12.4)**	**(23%)**	**89.9**	111.0	**(21.1)**	**(19%)**
Depreciation, depletion and amortization	**11.6**	6.4	**5.2**	**81%**	**22.4**	11.8	**10.6**	**90%**
Impairment charges	**-**	24.5	**(24.5)**	**(100%)**	**-**	24.5	**(24.5)**	**(100%)**
	3.9	(25.1)	**29.0**	**116%**	**13.7**	(19.0)	**32.7**	**172%**
Other	**9.0**	14.4	**(5.4)**	**(38%)**	**9.0**	14.4	**(5.4)**	**(38%)**
Segment operating earnings (loss)	**$ (5.1)**	$ (39.5)	**$ 34.4**	**87%**	**$ 4.7**	$ (33.4)	**$ 38.1**	**114%**

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

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined and processed decreased by 39% and 25%, respectively, compared with the second quarter of 2015 due to the temporary suspension of mining and crushing operations since May 2016 as a result of the imposition of a water curtailment order by Chile's environmental regulatory authority (the "SMA"). Gold equivalent ounces produced were 7% lower compared with the second quarter of 2015, primarily due to the decrease in the tonnes of ore placed on the heap leach pads. During the second quarter of 2016, gold equivalent ounces sold exceeded production as ounces produced at the end of the first quarter were sold in the second quarter of 2016.

During the second quarter of 2016, metal sales decreased by 4% compared with the same period in 2015 due to a decrease in gold equivalent ounces sold, partially offset by an increase of 7% in metal prices realized. Production cost of sales in the second quarter of 2016 were lower by 23% compared with the same period in 2015, largely due to the decrease in gold equivalent ounces sold and a decrease of approximately $10 million in contractor and energy costs that were incurred in the prior year as a result of the March 2015 extreme weather event. Depreciation, depletion and amortization increased by 81% compared with the second quarter of 2015, primarily due to a decrease in mineral reserves at December 31, 2015 and an increase in the depreciable asset base, partially offset by the decrease in the gold equivalent ounces sold. At June 30, 2015, the carrying value of inventory was written down by $24.5 million due to the extreme weather event, which resulted in an increase in the per ounce cost to complete inventory. No such charges were recognized during the second quarter of 2016. During the second quarter of 2016, other costs of $9.0 million included costs related to the temporary suspension of mining operations beginning in May 2016. Other costs in the second quarter of 2015 largely included additional expenses incurred as a result of the March 2015 extreme weather event.

First six months of 2016 vs. First six months of 2015

Tonnes of ore mined and processed increased by 8% and 18%, respectively, compared with the first six months of 2015, primarily due to the suspension of mining and crushing operations during the first six months of 2015 as a result of the stockpile tower replacement and the extreme weather event in March 2015 that caused mining and crushing operations to be temporarily suspended until May 2015. During the first six months of 2016, grades decreased by 8% compared with the same period in 2015 as a result of planned mine sequencing. Gold equivalent ounces produced decreased slightly compared with the first six months of 2015, primarily due to a decrease in ounces recovered from the heap leach pads.

Metal sales were 2% lower compared with the first six months of 2015 due to a decrease in gold equivalent ounces sold, largely offset by an increase in metal prices realized. Production cost of sales in the first six months of 2016 decreased by 19% compared with the same period in 2015, primarily due to a decrease of approximately $14 million in contractor and energy costs that were incurred as a result of the March 2015 extreme weather event. Depreciation, depletion and amortization increased from $11.8 million in the first six months of 2015 to $22.4 million in the first six months of 2016, primarily due to a decrease in mineral reserves at December 31, 2015 and an increase in the depreciable asset base. At June 30, 2015, the carrying value of inventory was written down by $24.5 million due to the extreme weather event. No such charges were recognized during the first six months of 2016. During the first six months of 2016, other costs of $9.0 million included costs related to the temporary suspension of mining operations from May 2016. Other costs of $14.4 million incurred in the first six months of 2015 were primarily related to the March 2015 extreme weather event.

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

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	**Change**	**% Change [(d)]**	**2016**	2015	**Change**	**% Change [(d)]**
Operating Statistics								
Tonnes ore mined (000's) [(b)]	**513**	516	**(3)**	**(1%)**	**1,007**	980	**27**	**3%**
Tonnes processed (000's)	**428**	423	**5**	**1%**	**844**	841	**3**	**0%**
Grade (grams/tonne):								
Gold	**12.75**	13.43	**(0.68)**	**(5%)**	**13.33**	13.32	**0.01**	**0%**
Silver	**105.89**	106.19	**(0.30)**	**(0%)**	**105.06**	100.94	**4.12**	**4%**
Recovery:								
Gold	**95.2%**	95.3%	**(0.1%)**	**(0%)**	**95.3%**	95.1%	**0.2%**	**0%**
Silver	**86.5%**	86.8%	**(0.3%)**	**(0%)**	**87.2%**	86.1%	**1.1%**	**1%**
Gold equivalent ounces: [(c)]								
Produced	**183,638**	191,160	**(7,522)**	**(4%)**	**376,088**	376,889	**(801)**	**(0%)**
Sold	**198,890**	159,950	**38,940**	**24%**	**374,581**	352,117	**22,464**	**6%**
Silver ounces:								
Produced (000's)	**1,348**	1,218	**130**	**11%**	**2,464**	2,263	**201**	**9%**
Sold (000's)	**1,382**	1,087	**295**	**27%**	**2,452**	2,148	**304**	**14%**
Financial Data (in millions)								
Metal sales	**$ 251.5**	$ 191.5	**$ 60.0**	**31%**	**$ 458.6**	$ 424.2	**$ 34.4**	**8%**
Production cost of sales	**82.9**	78.3	**4.6**	**6%**	**161.1**	169.8	**(8.7)**	**(5%)**
Depreciation, depletion and amortization	**59.9**	56.3	**3.6**	**6%**	**112.8**	120.2	**(7.4)**	**(6%)**
	108.7	56.9	**51.8**	**91%**	**184.7**	134.2	**50.5**	**38%**
Exploration and business development	**3.1**	4.2	**(1.1)**	**(26%)**	**4.8**	7.2	**(2.4)**	**(33%)**
Other	**(0.4)**	(0.1)	**(0.3)**	**nm**	**(0.4)**	(0.1)	**(0.3)**	**nm**
Segment operating earnings	**$ 106.0**	$ 52.8	**$ 53.2**	**101%**	**$ 180.3**	$ 127.1	**$ 53.2**	**42%**

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

(b) Includes 177,000 and 331,000 tonnes of ore mined from Dvoinoye during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 160,000 and 290,000, respectively).

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the second quarter of 2016 was 75.06:1 (second quarter of 2015 - 72.75:1). The ratio for the first six months of 2016 was 77.20:1 (first six months of 2015 - 72.84:1).

(d) "nm" means not meaningful.

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined decreased slightly compared with the second quarter of 2015, primarily due to reduced mining activity at the Kupol mine, largely offset by an increase in tonnes mined at the lower central zone of the Dvoinoye mine. Gold grades were 5% lower in the second quarter of 2016 compared with the same period in 2015 due to the processing of lower grade ore from both the Kupol and Dvoinoye mines, consistent with plan. During the second quarter of 2016, gold equivalent ounces produced were 4% lower compared with the same period in 2015, largely due to the decline in grades. During the second quarter of 2016, gold equivalent ounces sold exceeded production as ounces produced at the end of the first quarter were sold in the second quarter of 2016.

During the second quarter of 2016, metal sales increased by 31% compared with the same period in 2015 due to increases in metal prices realized and gold equivalent ounces sold. Production cost of sales increased by 6% compared with the second quarter of 2015, primarily due to the increase in gold equivalent ounces sold, partially offset by lower labour costs as a result of favourable foreign exchange movements and a decrease in royalty costs. Depreciation, depletion and amortization increased by 6% in the second quarter of 2016 compared with the same period in 2015, mainly due to the increase in gold equivalent ounces sold, partially offset by a decrease in the depreciable asset base.

First six months of 2016 vs. First six months of 2015

Tonnes of ore mined increased by 3% compared with the first six months of 2015, primarily due to increased mining activity at Dvoinoye. During the first six months of 2016, mill throughput, gold grades and recoveries were consistent with those experienced in the same period of 2015, as a result of which gold equivalent ounces produced were comparable to the ounces produced in the first six months of 2015. Gold equivalent ounces sold increased by 6% compared with the first six months of 2015 due to timing of shipments.

Metal sales in the first six months of 2016 increased by 8% compared with the same period in 2015 due to increases in gold equivalent ounces sold and metal prices realized. During the first six months of 2016, production cost of sales decreased by 5%, primarily due to lower labour and fuel costs as a result of favourable foreign exchange movements and reduced consumption of reagents, partially offset by the increase in gold equivalent ounces sold. Depreciation, depletion and amortization decreased by 6% compared with the first six months of 2015, largely due to a decrease in the depreciable asset base, partially offset by the increase in gold equivalent ounces sold.

Tasiast (100% ownership and operator) – Mauritania

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Operating Statistics								
Tonnes ore mined (000's)	1,937	1,609	328	20%	3,828	2,618	1,210	46%
Tonnes processed (000's) [(a)]	2,031	1,126	905	80%	3,995	1,822	2,173	119%
Grade (grams/tonne) [(b)]	1.39	2.21	(0.82)	(37%)	1.46	2.10	(0.64)	(30%)
Recovery [(b)]	92.0%	91.5%	0.5%	1%	93.3%	90.5%	2.8%	3%
Gold equivalent ounces:								
Produced	29,577	57,890	(28,313)	(49%)	76,655	111,899	(35,244)	(31%)
Sold	28,467	54,941	(26,474)	(48%)	76,858	106,731	(29,873)	(28%)
Financial Data (in millions)								
Metal sales	$ 35.9	$ 65.2	$ (29.3)	(45%)	$ 93.7	$ 128.1	$ (34.4)	(27%)
Production cost of sales	35.3	58.4	(23.1)	(40%)	82.5	110.3	(27.8)	(25%)
Depreciation, depletion and amortization	22.3	18.7	3.6	19%	45.0	34.9	10.1	29%
	(21.7)	(11.9)	(9.8)	(82%)	(33.8)	(17.1)	(16.7)	(98%)
Exploration and business development	1.5	3.4	(1.9)	(56%)	3.4	8.1	(4.7)	(58%)
Other	18.5	18.7	(0.2)	(1%)	36.3	22.6	13.7	61%
Segment operating loss	$ (41.7)	$ (34.0)	$ (7.7)	(23%)	$ (73.5)	$ (47.8)	$ (25.7)	(54%)

(a) Includes 1,542,000 and 2,729,000 tonnes placed on the dump leach pads during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 521,000 and 587,000 tonnes, respectively).

(b) Amount represents mill grade and recovery only. Ore placed on the dump leach pads had an average grade of 0.45 and 0.44 grams per tonne during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - 0.56 and 0.61 grams per tonne, respectively). Due to the nature of dump leach operations, point-in-time recovery rates are not meaningful.

Second quarter 2016 vs. Second quarter 2015

During the second quarter of 2016, tonnes of ore mined increased by 20% compared with the same period in 2015, primarily due to planned mine sequencing and an increase in the mining rate to support the higher mill throughput rate of over 8,000 t/d achieved from continuous improvement initiatives completed in the fourth quarter of 2015. In addition to the increase in mill throughput rate, tonnes of ore processed were higher compared with the second quarter of 2015, largely due to an increase in tonnes placed on the dump leach pads as a result of planned mine sequencing that involved mining a higher proportion of lower grade leachable ore from the West Branch deposit. The increases in tonnes of ore mined and processed were partially offset by the negative impact of the 18 day strike by unionized employees, which ended on June 11, 2016. Also, mining and processing operations were temporarily suspended from June 18, 2016, due to the Company not being able to continue to fully operate the site in a safe and environmentally responsible manner. During the second quarter of 2016, grades relating to the ore placed on dump leach pads and processed through the mill decreased by 20% and 37%, respectively, compared with the same period in 2015, mainly due to planned mine sequencing. Gold equivalent ounces produced decreased by 49% compared with the second quarter of 2015, largely due to the temporary suspension of operations as described above and reduced ounces recovered from the dump leach pads.

Metal sales decreased by 45% in the second quarter of 2016 compared with the same period in 2015 due to a decrease in gold equivalent ounces sold, partially offset by an increase in metal prices realized. Production cost of sales were lower by 40% compared with the second quarter of 2015, primarily due to the 48% decrease in gold equivalent ounces sold. Depreciation, depletion and amortization increased by 19% compared with the second quarter of 2015, largely due to a decrease in mineral reserves. During the second quarter of 2016, other operating costs of $18.5 million included $13.6 million of costs associated with the temporary suspension of operations.

First six months of 2016 vs. First six months of 2015

Tonnes of ore mined increased by 46% in the first six months of 2016 compared with the same period in 2015, primarily due to planned mine sequencing and an increase in the mining rate to support the higher mill throughput rate of over 8,000 t/d achieved from continuous improvement initiatives completed in the fourth quarter of 2015. In addition to the increase in mill throughput rate, tonnes of ore processed were higher compared with the first six months of 2015, largely due to an increase in tonnes placed on the dump leach pads as a result of planned mine sequencing that involved mining a higher proportion of lower grade leachable ore from the West Branch deposit. The increases in tonnes of ore mined and processed were partially offset by the negative impact of the temporary suspension of mining operations that occurred in the second quarter of 2016 as described above. Grades relating to the ore placed on dump leach pads and processed through the mill decreased by 28% and 30%, respectively, compared with the first six months of 2015, mainly due to planned mine sequencing. During the first six months of 2016, gold equivalent ounces produced decreased by 31% compared with the same period in 2015, primarily due to a decrease in ounces recovered from the dump leach pads and the temporary suspension of operations as described above.

Metal sales decreased by 27% compared with the first six months of 2015 due to a decrease in gold equivalent ounces sold, partially offset by an increase in metal prices realized. During the first six months of 2016, production cost of sales were lower by 25% compared with the same period in 2015, primarily due to the decrease in gold equivalent ounces sold. Depreciation, depletion and amortization increased by 29% in the first six months of 2016 compared with the same period in 2015, largely due to a decrease in mineral reserves at December 31, 2015. During the first six months of 2016, other operating costs of $36.3 million included $13.6 million of costs associated with the temporary suspension of operations.

Chirano (90% ownership and operator) – Ghana[a]

	Three months ended June 30,				Six months ended June 30,			
	2016	2015	Change	% Change	2016	2015	Change	% Change [b]
Operating Statistics								
Tonnes ore mined (000's)	547	875	(328)	(37%)	1,000	1,614	(614)	(38%)
Tonnes processed (000's)	882	823	59	7%	1,729	1,722	7	0%
Grade (grams/tonne)	1.72	2.73	(1.01)	(37%)	1.75	2.67	(0.92)	(34%)
Recovery	90.8%	91.6%	(0.8%)	(1%)	90.8%	90.5%	0.3%	0%
Gold equivalent ounces:								
Produced	43,561	66,311	(22,750)	(34%)	88,031	133,994	(45,963)	(34%)
Sold	42,312	69,017	(26,705)	(39%)	89,991	140,890	(50,899)	(36%)
Financial Data (in millions)								
Metal sales	$ 53.6	$ 82.0	$ (28.4)	(35%)	$ 109.4	$ 169.4	$ (60.0)	(35%)
Production cost of sales	48.3	47.6	0.7	1%	95.5	93.5	2.0	2%
Depreciation, depletion and amortization	25.8	44.6	(18.8)	(42%)	51.5	88.2	(36.7)	(42%)
	(20.5)	(10.2)	(10.3)	(101%)	(37.6)	(12.3)	(25.3)	nm
Exploration and business development	2.7	4.6	(1.9)	(41%)	4.4	8.5	(4.1)	(48%)
Other	3.3	1.8	1.5	83%	4.0	3.0	1.0	33%
Segment operating loss	$ (26.5)	$ (16.6)	$ (9.9)	(60%)	$ (46.0)	$ (23.8)	$ (22.2)	(93%)

(a) Operating and financial data are at 100% for all periods.

(b) "nm" means not meaningful.

Second quarter 2016 vs. Second quarter 2015

Tonnes of ore mined decreased by 37% compared with the second quarter of 2015 due to suspension of mining activities at the Akwaaba underground deposit and Mamnao open pit, partially offset by an increase in tonnes mined from the Paboase underground deposit and Tano open pit. During the second quarter of 2016, tonnes of ore processed were 7% higher compared with the same period in 2015, largely due to increased mill availability. Grades were 37% lower in the second quarter of 2016 compared with the same period in 2015, mainly due to lower grade ore mined at Akwaaba and Paboase. Gold equivalent ounces produced were 34% lower compared with the second quarter of 2015, primarily due to the lower grades, partially offset by the increase in tonnes processed.

Metal sales were lower by 35% in the second quarter of 2016 compared with the same period in 2015 due to a decrease in gold equivalent ounces sold, partially offset by a 7% increase in metal prices realized. Production cost of sales increased slightly compared with the same period in 2015, primarily due to higher power costs and higher underground mobile maintenance and consultancy costs. These increases were partially offset by a decrease in gold equivalent ounces sold. During the second quarter of 2016, depreciation, depletion and amortization decreased by 42% compared with the same period in 2015, largely due to the decrease in gold equivalent ounces sold and an increase in mineral reserves at December 31, 2015.

First six months of 2016 vs. First six months of 2015

Tonnes of ore mined in the first six months of 2016 decreased by 38% compared with the same period in 2015, primarily due to increased stripping activity at the Tano open pit and fewer tonnes mined from the Akwaaba underground deposit. These decreases were partially offset by an increase in tonnes mined from the Paboase underground deposit. During the first six months of 2016, grades were 34% lower compared with the same period in 2015, mainly due to lower grade ore mined at Paboase. Gold equivalent ounces produced were 34% lower compared with the first six months of 2015, primarily due to the lower grades. Gold equivalent ounces sold in the first six months of 2016 exceeded production due to timing of shipments.

During the first six months of 2016, metal sales were lower by 35% compared with the same period in 2015 due to a decrease gold equivalent ounces sold, slightly offset by a 1% increase in metal prices realized. Production cost of sales increased by 2% compared with the first six months of 2015, primarily due to higher power costs and higher maintenance costs due to the mill shutdown in February 2016 and increased maintenance of underground mobile equipment. These increases were partially offset by the decrease in gold equivalent ounces sold. Depreciation, depletion and amortization decreased by 42% compared with the first six months of 2015, largely due to the decrease in gold equivalent ounces sold and an increase in mineral reserves at December 31, 2015.

Exploration and business development

(in millions)	Three months ended June 30, 2016	2015	Change	% Change	Six months ended June 30, 2016	2015	Change	% Change
Exploration and business development	$ 21.8	$ 29.7	$ (7.9)	(27%)	$ 38.5	$ 52.5	$ (14.0)	(27%)

Exploration and business development expenses were $21.8 million compared with $29.7 million in the second quarter of 2015. Of the total exploration and business development expense, expenditures on exploration totaled $15.1 million compared with $23.6 million in the second quarter of 2015. Capitalized exploration expenses, including capitalized evaluation expenditures, totaled $nil for the second quarter of 2016 and 2015.

Kinross was active on 13 mine sites, near-mine and greenfield initiatives during the second quarter of 2016, with a total of 63,032 metres drilled. During the second quarter of 2015, Kinross was active on more than 17 mine sites, near-mine and greenfield initiatives, with a total of 97,730 metres drilled.

Exploration and business development expenses were $38.5 million compared with $52.5 million for the first six months of 2015. Of the total exploration and business development expense, expenditures on exploration totaled $24.5 million in the first six months of 2016 compared with $39.4 million during the same period in 2015. Capitalized exploration expenses, including capitalized evaluation expenditures, totaled $nil for the first six months of 2016 and 2015.

Kinross was active on more than 14 mine sites, near-mine and greenfield initiatives during the first six months of 2016, with a total of 102,574 metres drilled. Kinross was active on more than 20 mine sites, near-mine and greenfield initiatives during the first six months of 2015, with a total of 198,419 metres drilled.

General and administrative

(in millions)	Three months ended June 30, 2016	2015	Change	% Change	Six months ended June 30, 2016	2015	Change	% Change
General and administrative	$ 32.4	$ 44.6	$ (12.2)	(27%)	$ 70.7	$ 83.6	$ (12.9)	(15%)

General and administrative costs include expenses related to the overall management of the business which are not part of direct mine operating costs. These are costs that are incurred at corporate offices located in Canada, Brazil, the Russian Federation, Chile, and the Canary Islands. General and administrative costs were lower in the second quarter and first six months of 2016 compared with the same periods in 2015 as a result of cost reduction activities in the second half of 2015.

Other income (expense) – net

	Three months ended June 30,				Six months ended June 30,			
(in millions)	2016	2015	Change	% Change [(a)]	2016	2015	Change	% Change [(a)]
Gains (losses) on sale of other assets - net	$ 3.0	$ (0.2)	$ 3.2	nm	$ 6.5	$ (1.4)	$ 7.9	nm
Impairment of investments	-	(1.5)	1.5	100%	-	(1.5)	1.5	100%
Foreign exchange losses	(6.2)	(6.5)	0.3	5%	(9.0)	(7.5)	(1.5)	(20%)
Net non-hedge derivative gains (losses)	(6.9)	0.1	(7.0)	nm	(0.4)	(1.8)	1.4	78%
Other	13.8	1.8	12.0	nm	16.1	4.0	12.1	nm
Other income (expense) - net	$ 3.7	$ (6.3)	$ 10.0	159%	$ 13.2	$ (8.2)	$ 21.4	nm

(a) "nm" means not meaningful.

Other income (expense) increased from an expense of $6.3 million in the second quarter of 2015 to income of $3.7 million in the second quarter of 2016. During the first six months of 2016, other income (expense) increased from an expense of $8.2 million to income of $13.2 million. The changes in other income (expense) for the second quarter and first six months of 2016 were primarily due to the receipt of insurance recoveries of $13.0 million related to Round Mountain.

Finance expense

	Three months ended June 30,				Six months ended June 30,			
(in millions)	2016	2015	Change	% Change	2016	2015	Change	% Change
Finance expense	$ 32.3	$ 23.7	$ 8.6	36%	$ 65.5	$ 47.7	$ 17.8	37%

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

Finance expense increased by $8.6 million compared with the second quarter of 2015, largely due to an increase in interest expense. During the second quarter of 2016, interest expense was $23.8 million compared with $16.7 million in the same period of 2015, with the increase primarily due to a reduction in interest capitalized. Interest capitalized in the second quarter of 2016 was $3.4 million compared with $9.9 million in the same period of 2015, with the decrease mainly due to lower qualifying capital expenditures at Fort Knox and Paracatu.

During the first six months of 2016, finance expense increased by $17.8 million compared with the same period in 2015, primarily due to an increase in interest expense. Interest expense increased from $33.8 million in the first six months of 2015 to $48.5 million in the first six months of 2016, primarily due to a decrease in interest capitalized. Interest capitalized in the first six months of 2016 was $6.6 million compared with $19.5 million in the same period of 2015, with the decrease primarily due to lower qualifying capital expenditures.

Income and mining taxes

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

The Company recorded an income tax expense of $69.4 million in the second quarter of 2016 compared with an income tax recovery of $5.4 million recognized in the same period of 2015. The $69.4 million tax expense recognized in the second quarter of 2016 included $31.6 million of recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble and $29.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016. The $5.4 million tax recovery in the second quarter of 2015 included $2.8 million of expense due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble. In addition, tax expense increased due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for the second quarter of 2016 was 26.5% (2015 – 26.5%).

Income tax expense during the first six months of 2016 was $56.7 million, compared with an income tax expense of $19.9 million in the same period of 2015. The $56.7 million tax expense recognized in the first six months of 2016 included $37.8 million of recovery due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble, $29.0 million of expense due to a proposal to reassess taxes which was received in the second quarter of 2016, and a tax benefit of $27.7 million realized by the Company as a result of the acquisition. The $19.9 million tax expense in the first six months of 2015 included $20.5 million of expense due to re-measurement of deferred tax assets and liabilities as a result of fluctuation in foreign exchange rates with respect to the Brazilian real and the Russian rouble. In addition, tax expense increased due to differences in the level of income in the Company's operating jurisdictions from one period to the next. Kinross' combined federal and provincial statutory tax rate for the first six months of 2016 was 26.5% (first six months of 2015 – 26.5%).

There are a number of factors that can significantly impact the Company's effective tax rate, including the geographic distribution of income, varying rates in different jurisdictions, the non-recognition of tax assets, mining allowance, foreign currency exchange rate movements, changes in tax laws, and the impact of specific transactions and assessments.

Due to the number of factors that can potentially impact the effective tax rate and the sensitivity of the tax provision to these factors, as discussed above, it is expected that the Company's effective tax rate will fluctuate in future periods.

6. LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes Kinross' cash flow activity:

	Three months ended June 30,				Six months ended June 30,			
(in millions)	2016	2015	Change	% Change [(a)]	2016	2015	Change	% Change [(a)]
Cash flow								
Provided from operating activities	$ 315.9	$ 167.2	$ 148.7	89%	$ 530.4	$ 417.3	$ 113.1	27%
Used in investing activities	(98.1)	(143.3)	45.2	32%	(854.1)	(311.9)	(542.2)	(174%)
Provided from (used in) financing activities	(2.6)	(3.5)	0.9	26%	243.5	(54.5)	298.0	nm
Effect of exchange rate changes on cash and cash equivalents	2.6	0.5	2.1	nm	4.5	(3.0)	7.5	nm
Increase (decrease) in cash and cash equivalents	217.8	20.9	196.9	nm	(75.7)	47.9	(123.6)	nm
Cash and cash equivalents, beginning of period	750.4	1,010.5	(260.1)	(26%)	1,043.9	983.5	60.4	6%
Cash and cash equivalents, end of period	$ 968.2	$ 1,031.4	$ (63.2)	(6%)	$ 968.2	$ 1,031.4	$ (63.2)	(6%)

(a) "nm" means not meaningful.

During the second quarter of 2016, cash and cash equivalent balances increased by $217.8 million compared with an increase of $20.9 million in the corresponding period of 2015. Cash and cash equivalent balances decreased by $75.7 million in the first six months of 2016 compared with an increase of $47.9 million in the first six months of 2015. Detailed discussions regarding cash flow movements are included below.

Operating Activities

Second quarter 2016 vs. Second quarter 2015

Net cash flow provided from operating activities increased by $148.7 million in the second quarter of 2016 compared with the same period in 2015. The increase in cash flows was largely the result of more favourable working capital changes and an increase in margins compared with the same period in 2015.

First six months of 2016 vs. First six months of 2015

During the first six months of 2016, net cash flow provided from operating activities increased by $113.1 million compared with the same period in 2015, with the increase primarily the result of more favourable working capital changes and higher margins.

Investing Activities

Second quarter 2016 vs. Second quarter 2015

During the second quarter of 2016, net cash flow used in investing activities was $98.1 million compared with $143.3 million in the same period of 2015. The primary use of cash in the second quarter of 2016 was for capital expenditures of $114.0 million, partially offset by $22.0 million in cash received from Barrick for the working capital adjustment in connection with the acquisition of Bald Mountain and 50% of Round Mountain. During the second quarter of 2015, cash was largely used for capital expenditures of $128.5 million.

First six months of 2016 vs. First six months of 2015

Net cash flow used in investing activities was $854.1 million compared with $311.9 million in the first six months of 2015. During the first six months of 2016, the primary use of cash was for the acquisition of the Bald Mountain mine and the remaining 50% interest in the Round Mountain mine for $588.0 million. Cash used for capital expenditures in the first six months of 2016 and 2015 were $253.5 million and $278.0 million, respectively.

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

	Three months ended June 30,				Six months ended June 30,			
(in millions)	2016	2015	Change	% Change [(c)]	2016	2015	Change	% Change [(c)]
Operating segments								
Fort Knox	$ 15.2	$ 26.7	$ (11.5)	(43%)	$ 33.2	$ 68.1	$ (34.9)	(51%)
Round Mountain	12.3	10.8	1.5	14%	28.6	22.0	6.6	30%
Bald Mountain	4.5	-	4.5	100%	6.2	-	6.2	100%
Kettle River - Buckhorn	-	-	-	-	-	0.6	(0.6)	(100%)
Paracatu	15.9	29.4	(13.5)	(46%)	26.6	45.7	(19.1)	(42%)
Maricunga	1.3	7.1	(5.8)	(82%)	2.1	14.6	(12.5)	(86%)
Kupol [(a)]	15.1	10.0	5.1	51%	42.9	25.5	17.4	68%
Tasiast	36.0	31.1	4.9	16%	85.9	67.5	18.4	27%
Chirano	11.1	4.9	6.2	127%	22.8	12.2	10.6	87%
Non-operating segment								
Corporate and Other [(b)]	2.6	8.5	(5.9)	(69%)	5.2	21.8	(16.6)	(76%)
Total	$ 114.0	$ 128.5	$ (14.5)	(11%)	$ 253.5	$ 278.0	$ (24.5)	(9%)

(a) Includes $4.7 million and $6.8 million of capital expenditures at Dvoinoye during the second quarter and first six months of 2016, respectively (second quarter and first six months of 2015 - $3.0 million and $5.8 million, respectively).

(b) "Corporate and Other" includes corporate and other non-operating assets (including La Coipa, Lobo-Marte and White Gold).

(c) "nm" refers to not meaningful.

Capital expenditures decreased by $14.5 million compared with the second quarter of 2015, primarily due to lower spending at Paracatu upon completion of the Santo Antonio Tailings reprocessing project and reduced spending on Phase 8 at Fort Knox. These decreases were partially offset by increased spending at Chirano for the purchase of trucks and at Kupol in relation to the filter cake project.

During the first six months of 2016, capital expenditures decreased by $24.5 million compared with the same period in 2015, primarily due to lower spending at Fort Knox as a result of haulage trucks purchased in 2015 and at Paracatu upon completion of the Santo Antonio Tailings reprocessing project. These decreases were partially offset by increased spending on the Phase One expansion project at Tasiast and on the filter cake project at Kupol.

Financing Activities

Second quarter 2016 vs. Second quarter 2015

During the second quarter of 2016, net cash flow used in financing activities was $2.6 million compared with $3.5 million used in the second quarter of 2015.

First six months of 2016 vs. First six months of 2015

Net cash flow provided from financing activities was $243.5 million compared with cash used of $54.5 million in the first six months of 2015. During the first six months of 2016, the Company received net proceeds of $275.7 million on the completion of the public equity offering of 95.9 million common shares, including 12.5 million common shares issued to underwriters on the exercise of their over-allotment option. On March 4, 2016, Kinross used $175.0 million of the net proceeds to repay its drawing on the revolving credit facility on January 4, 2016. During the first six months of 2015, the Company made a net repayment of debt of $30.0 million, which was related to the Kupol loan. Interest paid during the first six months of 2016 was $47.5 million, of which $33.2 million was included in financing activities. Total interest paid during the first six months of 2015 was $46.5 million, of which $23.5 million was included in financing activities.

Balance Sheet

	As at,	
(in millions)	**June 30 2016**	December 31, 2015
Cash and cash equivalents	**$ 968.2**	$ 1,043.9
Current assets	**$ 2,264.7**	$ 2,292.1
Total assets	**$ 8,306.9**	$ 7,735.4
Current liabilities, including current portion of long-term debt	**$ 777.4**	$ 701.8
Total long-term financial liabilities [(a)]	**$ 2,590.4**	$ 2,452.7
Total debt, including current portion	**$ 1,983.0**	$ 1,981.4
Total liabilities	**$ 3,995.7**	$ 3,802.2
Common shareholders' equity	**$ 4,270.7**	$ 3,889.3
Non-controlling interest	**$ 40.5**	$ 43.9
Statistics		
Working capital [(b)]	**$ 1,487.3**	$ 1,590.3
Working capital ratio [(c)]	**2.91:1**	3.27:1

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

(b) Calculated as current assets less current liabilities.

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

At June 30, 2016, Kinross had cash and cash equivalents of $968.2 million, a decrease of $75.7 million from the balance as at December 31, 2015, primarily due to net cash outflows of $588.0 million used in the acquisition and capital expenditures of $253.5 million, partially offset by net operating cash flows of $530.4 million and net proceeds of $275.7 million received from an equity issuance. Current assets decreased to $2,264.7 million as at June 30, 2016, mainly due to the decrease in cash and cash equivalents, partially offset by an increase in inventories as a result of the acquisition. Total assets increased by $571.5 million to $8,306.9 million, largely due to the acquisition. Current liabilities increased to $777.4 million as at June 30, 2016, primarily due to an increase in accounts payable and accrued liabilities. Total long-term financial liabilities were higher by $137.7 million, primarily due to an increase in provisions as a result of the acquisition.

As of July 26, 2016, there were 1,244.7 million common shares of the Company issued and outstanding. In addition, at the same date, the Company had 14.1 million share purchase options outstanding under its share option plan.

Financings and Credit Facilities

Senior notes

The Company's $1.5 billion in senior notes consist 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, $500.0 million principal amount of 5.950% senior notes due 2024, and $250.0 million principal amount of 6.875% senior notes due 2041.

The $250.0 million 3.625% senior notes mature in September 2016.

Corporate revolving credit and term loan facilities

On July 24, 2015, the Company amended its $1,500 million revolving credit facility and $500 million term loan to extend the respective maturity dates. The revolving credit facility's term was extended by one year to August 10, 2020 from August 10, 2019, and the term loan was extended by one year to August 10, 2019 from August 10, 2018.

As at June 30, 2016, the Company had utilized $37.7 million (December 31, 2015 – $31.3 million) of the amended $1,500.0 million revolving credit facility. The amount utilized was entirely for letters of credit.

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, 2016, interest charges and fees, are as follows:

Type of credit	
Dollar based LIBOR loan:	
Term Loan	LIBOR plus 1.95%
Revolving credit facility	LIBOR plus 2.00%
Letters of credit	1.33-2.00%
Standby fee applicable to unused availability	0.40%

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 Company is in compliance with it's financial covenant under the credit agreement at June 30, 2016.

On July 26, 2016, the Company extended the maturity dates of the term loan and revolving credit facility by one year to August 10, 2020 and August 10, 2021, respectively.

Other

Effective June 30, 2016, the maturity date for the $250.0 million Letter of Credit guarantee facility with Export Development Canada ("EDC") was extended to June 30, 2017. Letters of credit guaranteed under 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, 2016, $212.7 million was utilized under this facility (December 31, 2015 - $212.7 million).

In addition, at June 30, 2016, the Company had $51.1 million (December 31, 2015 - $33.4 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.

As at June 30, 2016, $216.7 million of surety bonds were issued with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

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, 2016 $nil (December 31, 2015 - $nil) was outstanding under such borrowings.

The following table outlines the credit facility utilization and availability:

	As at,	
	June 30	December 31,
(in millions)	**2016**	2015
Utilization of revolving credit facility	**$ (37.7)**	$ (31.3)
Utilization of EDC facility	**(212.7)**	(212.7)
Borrowings	**$ (250.4)**	$ (244.0)
Available under revolving credit facility	**$ 1,462.3**	$ 1,468.7
Available under EDC credit facility	**37.3**	37.3
Available credit	**$ 1,499.6**	$ 1,506.0

Total debt of $1,983.0 million at June 30, 2016 consists of $1,484.7 million for the senior notes and $498.3 million for the corporate term loan facility. The current portion of this debt at June 30, 2016 is $249.9 million.

Liquidity Outlook

In 2016, the Company expects to repay the $250.0 million 3.625% senior notes.

We believe that the Company's existing cash and cash equivalents balance of $968.2 million, available credit of $1,499.6 million, and expected operating cash flows based on current assumptions (noted in Section 3 of this MD&A) will be sufficient to fund operations, our forecasted exploration and capital expenditures (noted in Section 3 of this MD&A), reclamation and remediation obligations currently estimated for 2016 and the payments discussed above. Prior to any capital investments, consideration is given to the cost and availability of various sources of capital resources.

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

Contractual Obligations and Commitments

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

The following table provides a summary of derivative contracts outstanding at June 30, 2016:

	2016	2017	2018	2019
Foreign currency				
Brazilian real forward buy contracts				
(in millions of U.S. dollars)	$ 33.7	$ -	$ -	$ -
Average price (Brazilian reais)	3.84	-	-	-
Brazilian real zero cost collars				
(in millions of U.S. dollars)	$ -	$ 52.8	$ -	$ -
Average put (Brazilian reais)	-	3.80	-	-
Average call (Brazilian reais)	-	4.18	-	-
Chilean peso forward buy contracts				
(in millions of U.S. dollars)	$ 18.5	$ -	$ -	$ -
Average price (Chilean pesos)	657.25	-	-	-
Canadian dollar forward buy contracts				
(in millions of U.S. dollars)	$ 27.0	$ 19.5	$ -	$ -
Average price (Canadian dollars)	1.32	1.34	-	-
Energy				
Oil swap contracts (barrels)	344,610	354,036	272,232	85,651
Average price	$ 46.07	$ 45.42	$ 47.46	$ 48.17

The following new derivative contracts were entered into during the six months ended June 30, 2016:

- $30.0 million Canadian dollars at an average rate of 1.37 maturing from 2016 to 2017;
- $52.8 million Brazilian reais at an average put and call strike of 3.80 and 4.18, respectively, maturing in 2017; and
- 922,499 barrels of crude oil at an average rate of $45.59 per barrel maturing from 2016 to 2019.

The Company enters into total return swaps ("TRS") as economic hedges of the Company's deferred share units and cash-settled restricted share units. Hedge accounting was not applied to the TRSs. At June 30, 2016, 5,695,000 TRS units were outstanding.

Fair value of derivative instruments

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

	As at,	
	June 30	December 31,
(in millions)	**2016**	2015
Asset (liability)		
Foreign currency forward and collar contracts	**11.4**	(13.8)
Energy swap contracts	**6.2**	(2.2)
Total return swap contracts	**8.1**	1.0
	$ 25.7	$ (15.0)

Contingencies

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

Other legal matters

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

Maricunga Regulatory Proceedings

In late 2013, Compania Minera Maricunga ("CMM") was fined approximately $40,000 in respect of the degradation of the Pantanillo wetland located near the Maricunga mine's water pumping wells. In May 2015, the SMA issued a resolution alleging that CMM had irreparably harmed portions of the Pantanillo wetland and two other downstream wetlands known respectively as Valle Ancho and Barros Negros, and that the mine's continuing water use poses an imminent risk to those wetlands. In response, CMM submitted legal and technical defenses, expert reports and other materials challenging the SMA's allegations, and, as required by law, responded to various information requests from the SMA. On March 18, 2016, the SMA issued a resolution against CMM in respect of the SMA's May 2015 allegations regarding the Valle Ancho wetland, located approximately 7 kilometers downgradient from CMM's groundwater wells, seeking to impose a sanction of an immediate complete curtailment of water use from the groundwater wells and related aquifer (the "sanction proceedings"). The Maricunga mine relies solely on water from the Pantanillo area groundwater wells to support its operations. On March 28, 2016, CMM filed a request with the SMA to reconsider the sanction proceedings resolution (the "reconsideration"). While reserving its rights of appeal, CMM requested reconsideration of the sanction on the basis that a complete stoppage of water use at the Maricunga mine was both legally and technically flawed, and could have serious environmental, health and safety consequences. Specifically, until the Maricunga mine is closed in accordance with the government-approved closure plan, the mine will require some water to ensure the health and safety of its personnel and local communities, maintain the environmental stability of the heap leach facilities, and complete closure of the mine in an environmentally responsible manner in accordance with its permits, applicable laws and international best practices. In April 2016, the SMA performed a site visit to inspect the process facilities and pumping wells, following which it requested, and CMM submitted, various detailed technical design and operational information. On May 2, 2016, the SMA issued a resolution ordering CMM to cease pumping water from the groundwater wells for 15-days. During this period, CMM suspended mining and crushing activities, reduced water consumption to minimal levels, and made various submissions to the SMA regarding the mine's minimum water requirements in this temporary suspension scenario. On May 19, 2016, CMM appealed the resolution to the Environmental Tribunal. On the same date, concurrent with expiry of the first order, the SMA issued a second resolution ordering CMM to curtail water use to the minimum levels that CMM had previously reported as being necessary for short-term preservation of health, safety and the environment for a period of 25 business days (until June 24, 2016). During the term of the order, crushing and mining operations remained suspended, and CMM answered further demands from the SMA for technical information on water use requirements. On May 27, 2016, CMM appealed this second resolution to the Environmental Tribunal. Both appeals have been accepted for consideration by the Environmental Tribunal, and a hearing is subject to scheduling. In addition, a union at Maricunga appealed the second resolution on constitutional grounds, and that appeal remains subject to decision by the Supreme Court. On June 24, 2016, the SMA issued a decision on the reconsideration, and amended the initial sanction. The new sanction, if affirmed by the Environmental Tribunal, would require CMM to effectively cease operations and close the mine, with water use curtailed to levels far below those required for closure in compliance with the mine's government-approved plan. On the same date, the SMA issued a third resolution ordering CMM to immediately curtail water use to levels specified under the May 19, 2016 resolution, for period ending on the earlier of 15 days or the filing of CMM's appeal in the sanction proceedings. On July 9, 2016, CMM filed its appeal in sanction proceedings and the mine immediately recommenced full operation. As part of its appeal, CMM submitted legal and technical arguments and reports by experts on wetland vegetation, analysis of long-term satellite imagery and groundwater hydrology criticizing the evidence relied upon by the SMA and concluding that current data does not support an assertion that CMM's pumping is negatively impacting water levels 7 kilometers downgradient at the Valle Ancho wetland. It is possible that the SMA will apply to the Environmental Tribunal for an injunction to curtail water use at the mine and/or closes the mine on the same terms as the new proposed sanction, pending a decision by the Tribunal on CMM's appeal in the sanction proceeding. CMM intends to vigorously oppose any such injunction, and pursue all other available remedies.

On June 2, 2016, CMM was served with two separate lawsuits filed by the Chilean State Defense Counsel. Both lawsuits are based upon allegations that CMM's pumping from its Pantanillo area groundwater wells has caused damage to area wetlands. One action relates to the Pantanillo wetland, and is based upon the sanction imposed upon CMM in late 2013 (as described above). The other action relates to the Valle Ancho wetland, and is largely based upon the same factual assertions at issue in the SMA sanction proceedings. These lawsuits seek, among other things, to require CMM to cease pumping from the groundwater wells, finance various investigations and conduct restoration activities. On June 20, 2016, CMM filed its defenses, and will continue to vigorously defend itself in these proceedings.

La Coipa Regulatory Proceedings

Although Mantos De Oro ("MDO") suspended operations at the La Coipa mine in the fourth quarter of 2013, in accordance with the mine's permit MDO continued its water treatment program ("WTP") to remediate levels of mercury in the ground water due to seepage from its tailing facility. La Coipa's WTP, related facilities and monitoring program, including downstream monitoring wells, have been in place since 2000. The mine's groundwater treatment permit establishes a very low standard for mercury of 1 part per billion. The La Coipa mine has four monitor wells at or near its downstream property boundary at which there has never been an exceedance of the permitted standard.

In 2015, the SMA conducted an inspection of the WTP and monitoring wells and requested various information regarding those facilities and their performance, with which MDO fully cooperated. On March 16, 2016, the SMA, issued a resolution alleging violations under La Coipa's water treatment permit. The resolution specified a total of seven charges, alleging permit violations at the WTP and/or failure to properly permit certain related activities, including capturing water at an undesignated reservoir, deficiencies in the mercury capture system, deficiencies in the monitoring system, and four WTP effluent samples from 2013 above the permitted standard and various monitoring well samples taken in 2013 and 2014. On April 15, 2016, MDO submitted a compliance plan to remediate the alleged permit violations which, following further submissions to the SMA, was ultimately accepted on July 7, 2016. As a result, the sanctioning process has been suspended without any fine or other penalty to MDO provided the plan is implemented and maintained per its terms. Failure to comply with the plan will re-initiate the sanction process and could result in doubled fines of up to $7.7 million per alleged minor violation (5 in total) and $15.4 million per alleged serious violation (2 in total).

Sunnyside Litigation

The Sunnyside Mine is an inactive mine situated in the Bonita Peak Mining District near Silverton, Colorado. A subsidiary of Kinross, Sunnyside Gold Corporation ("SGC"), was involved in operations at the mine for a period in the late-1980s to early 1990s and subsequently conducted various reclamation and closure activities at the mine and in the surrounding area. The Environmental Protection Agency (the "EPA") is actively investigating the district and has formally proposed adding portions of the district, including areas impacted by SGC's operations and closure activities, to the Superfund National Priorities List. There is a substantial probability the EPA will assert that the Company is a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and is jointly and severally liable for CERCLA response costs incurred in the district. In addition, the EPA may seek to require SGC to conduct investigative and remedial activities. On August 5, 2015, while working in another mine in the district known as the Gold King, the EPA caused a release of approximately three million gallons of contaminated water into a tributary of the Animas River. In May of 2016, the State of New Mexico filed a Complaint naming EPA, SGC, Kinross and others alleging violations of CERCLA, the Resource Conservation and Recovery Act ("RCRA"), and the Clean Water Act ("CWA") and claiming negligence, gross negligence, public nuisance and trespass. The Complaint seeks cost recovery, damages, injunctive relief, and attorney's fees. The Company has also received a "notice of intent to sue" letter from the State of Utah indicating that it intends to sue a number of parties, including the EPA, and the Company, for, among other things, injunctive relief, costs, damages and attorneys' fees under RCRA, the CWA and the Utah Water Quality Act. Kinross and SGC will vigorously defend themselves in the action that has been brought by the State of New Mexico and any action that may be brought by the State of Utah.

Kettle River-Buckhorn Regulatory Proceedings

Crown Resources Corporation ("Crown") is the holder of a waste discharge permit (the "Permit") in respect of the Buckhorn Mine, which authorizes and regulates mine-related discharges from the mine and its water treatment plant. On February 27, 2014, the Washington Department of Ecology (the "WDOE") renewed the Buckhorn Mine's National Pollution Discharge Elimination System Permit (the "Renewed Permit"), with an effective date of March 1, 2014. The Renewed Permit contained conditions that were more restrictive than the original discharge permit. In addition, the Company felt that the Renewed Permit was internally inconsistent, technically unworkable and inconsistent with existing agreements in place with the WDOE, including a settlement agreement previously entered into by Crown and the WDOE in June 2013 (the "Settlement Agreement"). On February 28, 2014, Crown filed an appeal of the Renewed Permit with the Washington Pollution Control Hearings Board ("PCHB"). In addition, on January 15, 2015, Crown filed a lawsuit against the WDOE in Ferry County Superior Court, Washington, claiming that the WDOE breached the Settlement Agreement by including various unworkable compliance terms in the Renewed Permit (the "Crown Action"). On July 30, 2015, the PCHB upheld the Renewed Permit. Crown filed a Petition for Review in Ferry County Superior Court, Washington, on August 27, 2015, seeking to have the PCHB decision overturned (the "Appeal"). On July 19, 2016, the WDOE issued an Administrative Order ("AO") to Crown and Kinross Gold Corporation asserting that the companies had exceeded the discharge limits in the Renewed Permit a total of 931 times and has also failed to maintain the capture zone required under the Renewed Permit. The AO orders the companies to develop an action plan to capture and treat water escaping the capture zone, undertake various investigations and studies, and report their findings. The action plan and reports must be submitted by October 15, 2016. In addition, the AO requires the companies to revise the Adaptive Management Plan by August 31, 2016. Given the pendency of the Appeal and the Crown Action, and for other reasons, the companies intend to appeal the AO to the PCHB and may also seek a stay of the AO at the appropriate time. In addition, Kinross Gold Corporation will appeal because it is not the owner, operator or permittee of the mine. Crown could face enforcement actions and potential fines of up to $10,000 per violation.

Crown also faces potential legal actions by non-governmental organizations relating to the Permit and the Renewed Permit. In the past, Crown and Kinross Gold U.S.A., Inc. have received a Notice of Intent to Sue letter from the Okanogan Highlands Alliance ("OHA") advising that it intends to file a citizen's suit against Crown under the CWA for alleged violations of its Permit and the CWA, including failure to adequately capture and treat mine-impacted groundwater and surface water at the site in violation of the Permit. OHA's notice letter further recites that the CWA authorizes injunctive relief and civil penalties in the amount of up to $37,500 per day per violation. However, to date, OHA has not filed a lawsuit.

7. SUMMARY OF QUARTERLY INFORMATION

	2016		2015				2014	
(in millions, except per share amounts)	Q2	Q1 [(b)]	Q4	Q3	Q2	Q1	Q4	Q3
Metal sales	$ 876.4	$ 782.6	$ 706.2	$ 809.4	$ 755.2	$ 781.4	$ 791.3	$ 945.7
Net earnings (loss) attributable to common shareholders	$ (25.0)	$ 35.0	$ (841.9)	$ (52.7)	$ (83.2)	$ (6.7)	$ (1,235.1)	$ (5.1)
Basic earnings (loss) per share attributable to common shareholders	$ (0.02)	$ 0.03	$ (0.73)	$ (0.05)	$ (0.07)	$ (0.01)	$ (1.08)	$ -
Diluted earnings (loss) per share attributable to common shareholders	$ (0.02)	$ 0.03	$ (0.73)	$ (0.05)	$ (0.07)	$ (0.01)	$ (1.08)	$ -
Net cash flow provided from operating activities [(a)]	$ 315.9	$ 214.5	$ 182.2	$ 232.1	$ 167.2	$ 250.1	$ 176.3	$ 303.0

(a) Includes net cash flow of discontinued operations used in operating activities. On June 10, 2013, the Company announced its decision to cease development of Fruta Del Norte ("FDN"). As a result, FDN was classified as a discontinued operation. On December 17, 2014, the Company sold its interest in FDN.

(b) As a result of reflecting the final purchase price adjustments retrospectively, the interim financial statements for the three months ended March 31, 2016 have been recast.

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

Revenue increased to $876.4 million on total gold equivalent ounces sold of 690,983 during the second quarter of 2016 compared with $755.2 million on sales of 633,148 total gold equivalent ounces during the second quarter of 2015. The average gold price realized in the second quarter of 2016 was $1,266 per ounce compared with $1,194 per ounce in the same period of 2015.

During the second quarter of 2016, production cost of sales increased to $506.7 million compared with $458.5 million in the same period of 2015, primarily due to increases in gold equivalent ounces sold, partially offset by a decrease in input costs at various sites.

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

On January 11, 2016, Kinross completed the acquisition of 100% of the Bald Mountain gold mine and the remaining 50% interest in the Round Mountain gold mine from Barrick for $610 million in cash, subject to a working capital adjustment. In April 2016, the Company received $22.0 million in cash from Barrick in connection with the working capital adjustment, which reduced the purchase price to $588.0 million.

In the fourth quarter of 2015, the Company recorded an after-tax impairment charge of $430.2 million relating to its Fort Knox, Tasiast and Round Mountain CGUs, net of a tax recovery of $9.3 million, and inventory and other asset impairment charges of $235.0 million. In addition, during the second quarter of 2015, the Company recognized an inventory impairment charge of $24.5 million at Maricunga.

In the fourth quarter of 2014, the Company recorded after-tax impairment charges of $932.2 million relating to several of its CGUs, net of a tax recovery of $127.9 million and non-controlling interest of $23.7 million.

During the fourth quarter of 2014, the Company completed the sale of its FDN project for gross cash proceeds of $150.0 million and $90.0 million of Lundin Gold common shares, resulting in an after-tax recovery of $238.0 million.

Operating cash flows increased to $315.9 million in the second quarter of 2016, compared with $167.2 million in the same period of 2015, primarily due to more favourable working capital changes and an increase in margins.

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

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission, under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, Kinross' management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures, and internal control over financial reporting. This evaluation is done under the supervision of, and with the participation of, the Chief Executive Officer and the Chief Financial Officer.

For the quarter ended June 30 2016, the Chief Executive Officer and the Chief Financial Officer concluded that Kinross' disclosure controls and procedures, and internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of information disclosed in its filings, including its interim financial statements prepared in accordance with IFRS. During the three months ended June 30, 2016, Bald Mountain converted to a new ERP system. The ERP system conversion has not resulted in any significant changes in internal controls during the three months ended June 30, 2016. Management employed appropriate procedures to ensure internal controls were in place during and after the conversion.

Limitations of Controls and Procedures

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

9. CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ACCOUNTING CHANGES

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The critical estimates, assumptions and judgments applied in the preparation of the Company's interim financial statements are consistent with those applied and disclosed in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2015.

Accounting Changes

The accounting policies applied in the preparation of the Company's interim financial statements are consistent with those used in the Company's annual audited consolidated financial statements for the year ended December 31, 2015.

Recent Accounting Pronouncements

Recent accounting pronouncements issued by the IASB are disclosed in Note 3 of the interim financial statements.

10. RISK ANALYSIS

The business of Kinross contains significant risk due to the nature of mining, exploration, and development activities. Certain risk factors, including but not limited to those listed below, are related to the mining industry in general while others are specific to Kinross. For a discussion of these risk factors, please refer to the MD&A for the year ended December 31, 2015 and for additional information please refer to the Annual Information Form for the year ended December 31, 2015, each of which is available on the Company's website www.kinross.com and on www.sedar.com or is available upon request from the Company.

Environmental and Regulatory Risk

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with the effects on the environment resulting from mineral exploration and production. The Company may be held responsible for the costs of addressing contamination at, or arising from, current or former activities. Environmental liability may result from mining activities conducted by others prior to the ownership of a property by Kinross. In addition, Kinross may be liable to third parties for exposure to hazardous materials or may otherwise be involved in civil litigation related to environmental claims. The costs associated with such responsibilities and liabilities may be substantial. The payment of such liabilities would reduce funds otherwise available and could have a material adverse effect on Kinross. Should Kinross be unable to fully fund the cost of remedying an environmental problem, Kinross might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the operations and business of Kinross.

Kinross' mining and processing operations and exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. The legal and political circumstances outside of North America cause these risks to be different from, and in many cases, greater than, comparable risks associated with operations within North America. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on Kinross, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. Compliance with these laws and regulations is part of the business and requires significant expenditures. Changes in regulations and laws, including those pertaining to the rights of leaseholders or the payment of royalties, net profit interest or similar amounts, could adversely affect Kinross' operations or substantially increase the costs associated with those operations. Kinross is unable to predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective.

Certain of the Company's operations are the subject of ongoing regulatory review and evaluation by the governmental authorities. These may result in additional regulatory actions against the affected operating subsidiaries, and may have an adverse effect on the Company's future operations and/or financial condition. For further details refer to Section 6 *Other legal matters*.

Political, Legal, Economic and Security Risk

The Company has mining and exploration operations in various regions of the world, including the United States, Canada, Brazil, Chile, the Russian Federation, Mauritania and Ghana, and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; crime, including organized criminal enterprise; thefts and illegal incursions on property (such as those taking place at Paracatu and Tasiast) which illegal incursions could result in serious security and operational issues, including the endangerment of life and property; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining (such as that taking place on Company-held ground in Mauritania) which illegal mining could result in serious environmental, social, political, security and operational issues, including the endangerment of life and property; changes to policies and regulations impacting the mining sector; adequacy, response and training of local law enforcement; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

U.S. Environmental Liability Risk

In the United States, certain mining wastes from extraction and beneficiation of ores that would otherwise be considered hazardous waste under the RCRA and state law equivalents, are currently exempt from certain EPA regulations governing hazardous waste. If the Company's mine wastes at its U.S. mines, including those at its Sunnyside mine are not exempt, and are treated as hazardous waste under RCRA, or if the presence of mine wastes results in a release of hazardous substances which has required or will require remediation under CERCLA or state law equivalents for cleanup, material expenditures could be required for the construction of additional waste disposal facilities, for other remediation expenditures, or for natural resource damages. Under CERCLA, subject to certain defenses, any present or past owners or operators of a CERCLA site, and any parties that disposed or arranged for the disposal of hazardous substances at such a site, may generally be held jointly and severally liable for response costs and may be forced to undertake remedial cleanup actions or to pay for the government's cleanup efforts. Such parties may also be liable to governmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements may also be imposed upon the Company's operations, tailings, and waste disposal areas as well as upon mine closure under federal and state environmental laws and regulations, including, without limitation, the CWA and state law equivalents. Air emissions in the U.S. are subject to the Clean Air Act and its state equivalents as well. Additionally, the Company is subject to other federal and state environmental laws, and potential claims existing under common law, relating to the operation and closure of the Company's U.S. mine sites.

11. SUPPLEMENTAL INFORMATION

Reconciliation of non-GAAP financial measures

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

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

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

The following table provides a reconciliation of net earnings (loss) to adjusted net earnings (loss) for the periods presented:

	Three months ended June 30,		Six months ended June 30,	
(in millions, except share and per share amounts)	**2016**	2015	**2016**	2015
Net earnings (loss) attributable to common shareholders - as reported	**$ (25.0)**	$ (83.2)	**$ 10.0**	$ (89.9)
Adjusting items:				
Foreign exchange losses	**6.2**	6.5	**9.0**	7.5
Non-hedge derivatives losses (gains) - net of tax	**6.9**	(0.1)	**0.3**	1.9
Losses (gains) on sale of other assets - net of tax	**(2.7)**	(0.1)	**(6.2)**	0.8
Foreign exchange losses (gains) on translation of tax basis and foreign exchange on deferred income taxes within income tax expense	**(31.6)**	2.8	**(37.8)**	20.5
Acquisition costs	**-**	-	**7.6**	-
Tax benefits realized upon acquisition	**-**	-	**(27.7)**	-
Impairment charges - net of tax	**-**	26.0	**-**	26.0
Taxes in respect of prior years	**24.0**	19.3	**45.2**	19.7
Chile weather event related costs, net of tax	**-**	15.2	**-**	15.2
Tasiast and Maricunga suspension related costs - net of tax	**22.7**	-	**22.7**	-
Insurance recoveries and other - net of tax	**(10.3)**	-	**(11.7)**	-
	15.2	69.6	**1.4**	91.6
Adjusted net earnings (loss) attributable to common shareholders	**$ (9.8)**	$ (13.6)	**$ 11.4**	$ 1.7
Weighted average number of common shares outstanding - Basic	**1,244.2**	1,146.2	**1,208.9**	1,145.7
Adjusted net earnings (loss) per share	**$ (0.01)**	$ (0.01)	**$ 0.01**	$ 0.00

Adjusted Operating Cash Flow

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

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

	Three months ended June 30,		Six months ended June 30,	
(in millions)	**2016**	2015	**2016**	2015
Net cash flow provided from operating activities - as reported	**$ 315.9**	$ 167.2	**$ 530.4**	$ 417.3
Adjusting items:				
Working capital changes:				
Accounts receivable and other assets	**(4.9)**	29.8	**(3.6)**	(11.0)
Inventories	**(49.6)**	(36.5)	**(83.9)**	(87.2)
Accounts payable and other liabilities, including taxes	**(74.2)**	0.9	**(48.1)**	57.1
	(128.7)	(5.8)	**(135.6)**	(41.1)
Adjusted operating cash flow	**$ 187.2**	$ 161.4	**$ 394.8**	$ 376.2

Consolidated and Attributable Production Cost of Sales per Equivalent Ounce Sold

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

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

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

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

	Three months ended June 30,		Six months ended June 30,	
(in millions, except ounces and production cost of sales per equivalent ounce)	**2016**	2015	**2016**	2015
Production cost of sales - as reported	**$ 506.7**	$ 458.5	**$ 964.4**	$ 913.1
Less: portion attributable to Chirano non-controlling interest	**(4.8)**	(4.8)	**(9.6)**	(9.4)
Attributable production cost of sales	**$ 501.9**	$ 453.7	**$ 954.8**	$ 903.7
Gold equivalent ounces sold	**690,983**	633,148	**1,355,148**	1,274,900
Less: portion attributable to Chirano non-controlling interest	**(4,231)**	(6,902)	**(8,999)**	(14,089)
Attributable gold equivalent ounces sold	**686,752**	626,246	**1,346,149**	1,260,811
Consolidated production cost of sales per equivalent ounce sold	**$ 733**	$ 724	**$ 712**	$ 716
Attributable production cost of sales per equivalent ounce sold	**$ 731**	$ 724	**$ 709**	$ 717

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

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

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

	Three months ended June 30,		Six months ended June 30,	
(in millions, except ounces and production cost of sales per ounce)	**2016**	2015	**2016**	2015
Production cost of sales - as reported	**$ 506.7**	$ 458.5	**$ 964.4**	$ 913.1
Less: portion attributable to Chirano non-controlling interest	**(4.8)**	(4.8)	**(9.6)**	(9.4)
Less: attributable silver revenues	**(29.1)**	$ (20.2)	**(48.6)**	(40.4)
Attributable production cost of sales net of silver by-product revenue	**$ 472.8**	$ 433.5	**$ 906.2**	$ 863.3
Gold ounces sold	**669,251**	615,777	**1,316,741**	1,240,795
Less: portion attributable to Chirano non-controlling interest	**(4,219)**	(6,884)	**(8,976)**	(14,051)
Attributable gold ounces sold	**665,032**	608,893	**1,307,765**	1,226,744
Attributable production cost of sales per ounce sold on a by-product basis	**$ 711**	$ 712	**$ 693**	$ 704

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

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

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

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

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

	Three months ended June 30,		Six months ended June 30,	
(in millions, except ounces and costs per ounce)	**2016**	2015	**2016**	2015
Production cost of sales - as reported	**$ 506.7**	$ 458.5	**$ 964.4**	$ 913.1
Less: portion attributable to Chirano non-controlling interest [(a)]	**(4.8)**	(4.8)	**(9.6)**	(9.4)
Less: attributable [(b)] silver revenues [(c)]	**(29.1)**	(20.2)	**(48.6)**	(40.4)
Attributable [(b)] production cost of sales net of silver by-product revenue	**$ 472.8**	$ 433.5	**$ 906.2**	$ 863.3
Adjusting items on an attributable [(b)] basis:				
General and administrative [(d)]	**32.4**	44.6	**70.7**	83.6
Other operating expense - sustaining [(e)]	**8.2**	2.5	**31.7**	14.2
Reclamation and remediation - sustaining [(f)]	**32.9**	14.7	**51.2**	29.2
Exploration and business development - sustaining [(g)]	**12.9**	16.4	**24.4**	29.7
Additions to property, plant and equipment - sustaining [(h)]	**90.0**	101.1	**175.7**	184.1
All-in Sustaining Cost on a by-product basis - attributable [(b)]	**$ 649.2**	$ 612.8	**$ 1,259.9**	$ 1,204.1
Other operating expense - non-sustaining [(e)]	**4.9**	14.8	**7.4**	19.3
Exploration - non-sustaining [(g)]	**8.6**	12.8	**13.6**	21.9
Additions to property, plant and equipment - non-sustaining [(h)]	**20.6**	24.7	**55.0**	68.5
All-in Cost on a by-product basis - attributable [(b)]	**$ 683.3**	$ 665.1	**$ 1,335.9**	$ 1,313.8
Gold ounces sold	**669,251**	615,777	**1,316,741**	1,240,795
Less: portion attributable to Chirano non-controlling interest [(i)]	**(4,219)**	(6,884)	**(8,976)**	(14,051)
Attributable [(b)] gold ounces sold	**665,032**	608,893	**1,307,765**	1,226,744
Attributable [(b)] all-in sustaining cost per ounce sold on a by-product basis	**$ 976**	$ 1,006	**$ 963**	$ 982
Attributable [(b)] all-in cost per ounce sold on a by-product basis	**$ 1,027**	$ 1,092	**$ 1,022**	$ 1,071

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

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

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

	Three months ended June 30,		Six months ended June 30,	
(in millions, except ounces and costs per equivalent ounce)	**2016**	2015	**2016**	2015
Production cost of sales - as reported	**$ 506.7**	$ 458.5	**$ 964.4**	$ 913.1
Less: portion attributable to Chirano non-controlling interest [(a)]	**(4.8)**	(4.8)	**(9.6)**	(9.4)
Attributable [(b)] production cost of sales	**$ 501.9**	$ 453.7	**$ 954.8**	$ 903.7
Adjusting items on an attributable [(b)] basis:				
General and administrative [(d)]	**32.4**	44.6	**70.7**	83.6
Other operating expense - sustaining [(e)]	**8.2**	2.5	**31.7**	14.2
Reclamation and remediation - sustaining [(f)]	**32.9**	14.7	**51.2**	29.2
Exploration and business development - sustaining [(g)]	**12.9**	16.4	**24.4**	29.7
Additions to property, plant and equipment - sustaining [(h)]	**90.0**	101.1	**175.7**	184.1
All-in Sustaining Cost - attributable [(b)]	**$ 678.3**	$ 633.0	**$ 1,308.5**	$ 1,244.5
Other operating expense - non-sustaining [(e)]	**4.9**	14.8	**7.4**	19.3
Exploration - non-sustaining [(g)]	**8.6**	12.8	**13.6**	21.9
Additions to property, plant and equipment - non-sustaining [(h)]	**20.6**	24.7	**55.0**	68.5
All-in Cost - attributable [(b)]	**$ 712.4**	$ 685.3	**$ 1,384.5**	$ 1,354.2
Gold equivalent ounces sold	**690,983**	633,148	**1,355,148**	1,274,900
Less: portion attributable to Chirano non-controlling interest [(i)]	**(4,231)**	(6,902)	**(8,999)**	(14,089)
Attributable [(b)] gold equivalent ounces sold	**686,752**	626,246	**1,346,149**	1,260,811
Attributable [(b)] all-in sustaining cost per equivalent ounce sold	**$ 988**	$ 1,011	**$ 972**	$ 987
Attributable [(b)] all-in cost per equivalent ounce sold	**$ 1,037**	$ 1,094	**$ 1,028**	$ 1,074

(a) Portion attributable to Chirano non-controlling interest represents the non-controlling interest (10%) in the production cost of sales for the Chirano mine.

(b) "Attributable" includes Kinross' share of Chirano (90%) production.

(c) "Attributable silver revenues" represents the attributable portion of metal sales realized from the production of the secondary or by-product metal (i.e. silver). Revenue from the sale of silver, which is produced as a by-product of the process used to produce gold, effectively reduces the cost of gold production.

(d) "General and administrative" expenses is as reported on the interim condensed consolidated statement of operations, net of certain severance expenses. General and administrative expenses are considered sustaining costs as they are required to be absorbed on a continuing basis for the effective operation and governance of the Company.

(e) "Other operating expense – sustaining" is calculated as "Other operating expense" as reported on the interim condensed consolidated statement of operations, less other operating and reclamation and remediation expenses related to non-sustaining activities as well as other items not reflective of the underlying operating performance of our business. Other operating expenses are classified as either sustaining or non-sustaining based on the type and location of the expenditure incurred. The majority of other operating expenses that are incurred at existing operations are considered costs necessary to sustain operations, and are therefore classified as sustaining. Other operating expenses incurred at locations where there is no current operation or related to other non-sustaining activities are classified as non-sustaining.

(f) "Reclamation and remediation - sustaining" is calculated as current period accretion related to reclamation and remediation obligations plus current period amortization of the corresponding reclamation and remediation assets, and is intended to reflect the periodic cost of reclamation and remediation for currently operating mines. Reclamation and remediation costs for development projects or closed mines are excluded from this amount and classified as non-sustaining.

(g) "Exploration and business development – sustaining" is calculated as "Exploration and business development" expenses as reported on the interim condensed consolidated statement of operations, less non-sustaining exploration expenses. Exploration expenses are classified as either sustaining or non-sustaining based on a determination of the type and location of the exploration expenditure. Exploration expenditures within the footprint of operating mines are considered costs required to sustain current operations and so are included in sustaining costs. Exploration expenditures focused on new ore bodies near existing mines (i.e. brownfield), new exploration projects (i.e. greenfield) or for other generative exploration activity not linked to existing mining operations are classified as non-sustaining. Business development expenses are considered sustaining costs as they are required for general operations.

(h) "Additions to property, plant and equipment – sustaining" represents the majority of capital expenditures at existing operations including capitalized exploration costs, capitalized stripping and underground mine development costs, ongoing replacement of mine equipment and other capital facilities and other capital expenditures and is calculated as total additions to property, plant and equipment (as reported on the interim condensed consolidated statements of cash flows), less capitalized interest and non-sustaining capital. Non-sustaining capital represents capital expenditures for major growth projects as well as enhancement capital for significant infrastructure improvements at existing operations. Non-sustaining capital expenditures during the three and six months ended June 30, 2016, primarily relate to projects at Tasiast and Chirano.

(i) "Portion attributable to Chirano non-controlling interest" represents the non-controlling interest (10%) in the ounces sold from the Chirano mine.

Cautionary Statement on Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any information as to the future financial or operating performance of Kinross, constitute ''forward-looking information'' or ''forward-looking statements'' within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and the provisions for ''safe harbor'' under the United States Private Securities Litigation Reform Act of 1995 and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements contained in this MD&A, include, but are not limited to, those under the headings (or headings that include): "Operational Outlook", "Project Updates and New Developments" "Liquidity Outlook", "Contractual Obligation and Commitments", "Contingencies", "Other legal matters", and "Risk Analysis", and include, without limitation, statements with respect to our guidance and forecasts for production; production costs of sales, all-in sustaining cost and capital expenditures; as well as references to other possible events, the future price of gold and silver, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, currency fluctuations, capital requirements, project studies, mine life extensions, permitting, restarting suspended or disrupted operations; continuous improvement initiatives; and resolution of pending litigation and regulatory processes. The words "ahead", "assumption", "believe", "consideration", "estimates", ''expects'', "forecast", "forward", "future", "guidance", "intend", "measures", "objective", "outlook", "phase", "plan", "possible", "potential", "project", or "risk", or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Kinross referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our Annual Information Form dated March 31, 2016 ("2016 AIF") and our Management's Discussion and Analysis for the fiscal year-end 2015 ("2015 MD&A"), as well as: (1) there being no significant disruptions affecting the operations of the Company whether due to extreme weather events (including, without limitation, prolonged lack of rainfall at Paracatu) and other or related natural disasters, labour disruptions (including but not limited to arising from negotiation of the collective labour agreement or renewed expatriate work permit issues at Tasiast), supply disruptions, power disruptions, illegal incursions, illegal mining, damage to equipment or otherwise; (2) permitting, development, operations and production from the Company's operations being consistent with Kinross' current expectations, water and power supply at Paracatu and the ongoing regulatory proceedings at Maricunga; (3) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of political tensions and uncertainty in the Russian Federation and Ukraine or any related sanctions and any other similar restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential power rationing, tailing facility regulation and amendments to mining laws in Brazil, potential amendments to labour laws and water laws and/or other water use restrictions and regulatory actions in Chile, potential amendments to minerals and mining laws and dam safety regulation in Ghana, potential amendments to customs and mining laws (including but not limited amendments to the VAT) in Mauritania, and potential amendments to and enforcement of tax laws in Russia (including, but not limited to, the interpretation, implementation, application and enforcement of any such laws and amendments thereto), being consistent with Kinross' current expectations; (4) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian rouble, Mauritanian ouguiya, Ghanaian cedi and the U.S. dollar being approximately consistent with current levels; (5) certain price assumptions for gold and silver; (6) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (7) production and cost of sales forecasts for the Company meeting expectations; (8) the accuracy of the current mineral reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates); (9) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (10) the terms and conditions of the legal and fiscal stability agreements for the Tasiast and Chirano operations being interpreted and applied in a manner consistent with their intent and Kinross' expectations; (11) goodwill and/or asset impairment potential; and (12) access to capital markets, including but not limited to credit ratings being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: sanctions (any other similar restrictions or penalties) now or subsequently imposed, other actions taken, by, against, in respect of or otherwise impacting any jurisdiction in which the Company is domiciled or operates (including but not limited to the Russian Federation, Canada, the European Union and the United States), or any government or citizens of, persons or companies domiciled in, or the Company's business, operations or other activities in, any such jurisdiction; fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as fuel and electricity); changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group gold producers and the Company, and the resulting impact on market price to net asset value multiples; changes in various market variables, such as interest rates, foreign exchange rates, gold or silver prices and lease rates, or global fuel prices, that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any financial obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation (including but not limited to income tax, advance income tax, stamp tax, withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, royalty, excise tax, customs/import or export taxes/duties, asset taxes, asset transfer tax, property use or other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies and regulations; the security of personnel and assets; the impacts of illegal mining and property incursions; political or economic developments in Canada, the United States, Chile, Brazil, Russia, Mauritania, Ghana, or other countries in which Kinross does business or may carry on business; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions (including but not limited to Bald Mountain and the other 50% of Round Mountain) and complete divestitures; operating or technical difficulties in connection with mining or development activities; employee relations; litigation or other claims against, or regulatory investigations and/or any enforcement actions or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada and/or the United States, or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, the United States or any other applicable jurisdiction; permitting and environmental enforcement actions (including but not limited to in respect of Maricunga and the Company's Sunnyside reclamation property in Colorado) and similar proceedings in jurisdictions in which the Company operates; the speculative nature of gold exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; diminishing quantities or grades of mineral reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, Kinross' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross, including but not limited to resulting in an impairment charge on goodwill and/or assets. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada and the United States including, *but not limited to, the cautionary statements made in the ''Risk Factors'' section of our 2016 AIF, and the "Risk Analysis" sections of our 2015 MD&A. These factors are not intended to represent a complete list of the factors that could affect Kinross. Kinross disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

Key Sensitivities

Approximately 70%-80% of the Company's costs are denominated in U.S. dollars.

A 10% change in foreign currency exchange rates would be expected to result in an approximate $15 impact on production cost of sales per ounce[1].

Specific to the Russian rouble, a 10% change in the exchange rate would be expected to result in an approximate $14 impact on Russian production cost of sales per ounce.

Specific to the Brazilian real, a 10% change in the exchange rate would be expected to result in an approximate $24 impact on Brazilian production cost of sales per ounce

A $10 per barrel change in the price of oil would be expected to result in an approximate $3 impact on production cost of sales per ounce.

A $100 change in the price of gold would be expected to result in an approximate $3 impact on production cost of sales per ounce as a result of a change in royalties.

Other information

Where we say ''we'', ''us'', ''our'', the ''Company'', or ''Kinross'' in this MD&A, we mean Kinross Gold Corporation and/or one or more or all of its subsidiaries, as may be applicable.

The technical information about the Company's mineral properties (other than exploration activities) contained in this MD&A has been prepared under the supervision of Mr. John Sims, an officer of the Company, who is a "qualified person" within the meaning of National Instrument 43-101. The technical information about the Company's exploration activities contained in this MD&A has been prepared under the supervision of Mr. Sylvain Guerard, an officer of the Company who is a "qualified person" within the meaning of NI 43-101.

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

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

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

		As at	
		June 30, 2016	December 31, 2015
Assets			
Current assets			
Cash and cash equivalents	*Note 5*	**$ 968.2**	$ 1,043.9
Restricted cash	*Note 5*	**11.4**	10.5
Accounts receivable and other assets	*Note 5*	**126.4**	108.2
Current income tax recoverable		**80.8**	123.3
Inventories	*Note 5*	**1,056.5**	1,005.2
Unrealized fair value of derivative assets	*Note 6*	**21.4**	1.0
		2,264.7	2,292.1
Non-current assets			
Property, plant and equipment	*Note 5*	**5,059.8**	4,593.7
Goodwill		**162.7**	162.7
Long-term investments	*Note 5*	**145.6**	83.1
Investments in associate and joint ventures		**163.3**	157.1
Unrealized fair value of derivative assets	*Note 6*	**5.3**	-
Other long-term assets	*Note 5*	**413.2**	370.2
Deferred tax assets		**92.3**	76.5
Total assets		**$ 8,306.9**	$ 7,735.4
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*Note 5*	**$ 432.4**	$ 379.6
Current income tax payable		**40.8**	6.4
Current portion of long-term debt	*Note 7*	**249.9**	249.5
Current portion of provisions	*Note 8*	**53.3**	50.3
Current portion of unrealized fair value of derivative liabilities	*Note 6*	**1.0**	16.0
		777.4	701.8
Non-current liabilities			
Long-term debt	*Note 7*	**1,733.1**	1,731.9
Provisions	*Note 8*	**857.3**	720.8
Other long-term liabilities		**195.8**	148.7
Deferred tax liabilities		**432.1**	499.0
Total liabilities		**3,995.7**	3,802.2
Equity			
Common shareholders' equity			
Common share capital	*Note 9*	**$ 14,890.6**	$ 14,603.5
Contributed surplus		**233.8**	239.2
Accumulated deficit		**(10,912.1)**	(10,922.1)
Accumulated other comprehensive income (loss)	*Note 5*	**58.4**	(31.3)
Total common shareholders' equity		**4,270.7**	3,889.3
Non-controlling interest		**40.5**	43.9
Total equity		**4,311.2**	3,933.2
Commitments and contingencies	*Note 13*		
Subsequent events	*Note 7*		
Total liabilities and equity		**$ 8,306.9**	$ 7,735.4
Common shares			
Authorized		**Unlimited**	Unlimited
Issued and outstanding	*Note 9*	**1,244,357,781**	1,146,540,188

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, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Revenue					
Metal sales		**$ 876.4**	$ 755.2	**$ 1,659.0**	$ 1,536.6
Cost of sales					
Production cost of sales		**506.7**	458.5	**964.4**	913.1
Depreciation, depletion and amortization		**210.2**	216.7	**403.4**	422.9
Impairment charges		**-**	24.5	**-**	24.5
Total cost of sales		**716.9**	699.7	**1,367.8**	1,360.5
Gross profit		**159.5**	55.5	**291.2**	176.1
Other operating expense		**36.1**	49.0	**70.0**	65.3
Exploration and business development		**21.8**	29.7	**38.5**	52.5
General and administrative		**32.4**	44.6	**70.7**	83.6
Operating earnings (loss)		**69.2**	(67.8)	**112.0**	(25.3)
Other income (expense) - net	*Note 5*	**3.7**	(6.3)	**13.2**	(8.2)
Equity in earnings (losses) of associate and joint ventures		**(0.1)**	5.9	**0.1**	4.9
Finance income		**1.9**	2.0	**3.5**	4.2
Finance expense	*Note 5*	**(32.3)**	(23.7)	**(65.5)**	(47.7)
Earnings (loss) before tax		**42.4**	(89.9)	**63.3**	(72.1)
Income tax recovery (expense) - net		**(69.4)**	5.4	**(56.7)**	(19.9)
Net earnings (loss)		**$ (27.0)**	$ (84.5)	**$ 6.6**	$ (92.0)
Net earnings (loss) attributable to:					
Non-controlling interest		**$ (2.0)**	$ (1.3)	**$ (3.4)**	$ (2.1)
Common shareholders		**$ (25.0)**	$ (83.2)	**$ 10.0**	$ (89.9)
Earnings (loss) per share attributable to common shareholders					
Basic		**$ (0.02)**	$ (0.07)	**$ 0.01**	$ (0.08)
Diluted		**$ (0.02)**	$ (0.07)	**$ 0.01**	$ (0.08)
Weighted average number of common shares outstanding (millions)	*Note 11*				
Basic		**1,244.2**	1,146.2	**1,208.9**	1,145.7
Diluted		**1,244.2**	1,146.2	**1,219.4**	1,145.7

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited expressed in millions of United States dollars)

		Three months ended		Six months ended	
		June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Net earnings (loss)		**$ (27.0)**	$ (84.5)	**$ 6.6**	$ (92.0)
Other comprehensive income (loss), net of tax:	*Note 5*				
Items to be reclassified to profit or loss in subsequent periods:					
Changes in fair value of investments [(a)]		**39.3**	1.7	**65.8**	(11.9)
Reclassification to earnings for impairment charges		**-**	1.5	**-**	1.5
Accumulated other comprehensive (income) loss related to investments sold [(b)]		**(2.7)**	-	**(2.7)**	-
Changes in fair value of derivative financial instruments designated as cash flow hedges [(c)]		**14.4**	11.7	**23.2**	(8.4)
Accumulated other comprehensive (income) loss related to derivatives settled [(d)]		**(0.2)**	14.4	**3.4**	29.7
		50.8	29.3	**89.7**	10.9
Total comprehensive income (loss)		**$ 23.8**	$ (55.2)	**$ 96.3**	$ (81.1)
Attributable to non-controlling interest		**$ (2.0)**	$ (1.3)	**$ (3.4)**	$ (2.1)
Attributable to common shareholders		**$ 25.8**	$ (53.9)	**$ 99.7**	$ (79.0)

(a) Net of tax of $nil, 3 months; $nil, 6 months (2015 - $nil, 3 months; $nil, 6 months)
(b) Net of tax of $nil, 3 months; $nil, 6 months (2015 - $nil, 3 months; $nil, 6 months)
(c) Net of tax of $4.2 million, 3 months; $6.7 million, 6 months (2015 - $3.4 million, 3 months; $(4.4) million, 6 months)
(d) Net of tax of $(0.2) million, 3 months; $0.7 million, 6 months (2015 - $4.8 million, 3 months; $8.9 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, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Net inflow (outflow) of cash related to the following activities:				
Operating:				
Net earnings (loss)	**$ (27.0)**	$ (84.5)	**$ 6.6**	$ (92.0)
Adjustments to reconcile net earnings (loss) to net cash provided from operating activities:				
Depreciation, depletion and amortization	**210.2**	216.7	**403.4**	422.9
Impairment of inventory	**-**	24.5	**-**	24.5
Equity in losses (earnings) of associate and joint ventures	**0.1**	(5.9)	**(0.1)**	(4.9)
Non-hedge derivative losses (gains) - net	**5.9**	(1.8)	**0.4**	(0.8)
Share-based compensation expense	**3.3**	4.3	**7.1**	8.9
Finance expense	**32.3**	23.7	**65.5**	47.7
Deferred tax expense (recovery)	**(45.0)**	12.7	**(104.0)**	(17.1)
Foreign exchange losses (gains) and other	**7.4**	(28.3)	**15.9**	(13.0)
Changes in operating assets and liabilities:				
Accounts receivable and other assets	**4.9**	(29.8)	**3.6**	11.0
Inventories	**49.6**	36.5	**83.9**	87.2
Accounts payable and accrued liabilities	**101.0**	28.0	**115.0**	0.4
Cash flow provided from operating activities	**342.7**	196.1	**597.3**	474.8
Income taxes paid	**(26.8)**	(28.9)	**(66.9)**	(57.5)
Net cash flow provided from operating activities	**315.9**	167.2	**530.4**	417.3
Investing:				
Additions to property, plant and equipment	**(114.0)**	(128.5)	**(253.5)**	(278.0)
Business acquisition	**22.0**	-	**(588.0)**	-
Net additions to long-term investments and other assets	**(9.0)**	(20.0)	**(20.1)**	(41.7)
Net proceeds from the sale of property, plant and equipment	**2.5**	1.6	**6.9**	2.9
Decrease (increase) in restricted cash	**(0.5)**	2.6	**(0.9)**	2.8
Interest received and other	**0.9**	1.0	**1.5**	2.1
Net cash flow used in investing activities	**(98.1)**	(143.3)	**(854.1)**	(311.9)
Financing:				
Issuance of common shares on exercise of options	**1.0**	-	**1.0**	-
Proceeds from issuance of equity	**-**	-	**275.7**	-
Proceeds from issuance of debt	**-**	3.0	**-**	22.5
Repayment of debt	**-**	(3.0)	**-**	(52.5)
Interest paid	**(3.6)**	(2.5)	**(33.2)**	(23.5)
Other	**-**	(1.0)	**-**	(1.0)
Net cash flow provided from (used in) financing activities	**(2.6)**	(3.5)	**243.5**	(54.5)
Effect of exchange rate changes on cash and cash equivalents	**2.6**	0.5	**4.5**	(3.0)
Increase (decrease) in cash and cash equivalents	**217.8**	20.9	**(75.7)**	47.9
Cash and cash equivalents, beginning of period	**750.4**	1,010.5	**1,043.9**	983.5
Cash and cash equivalents, end of period	**$ 968.2**	$ 1,031.4	**$ 968.2**	$ 1,031.4

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, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
Common share capital				
Balance at the beginning of the period	**$ 14,889.5**	$ 14,598.5	**$ 14,603.5**	$ 14,587.7
Shares issued on equity offering	**-**	-	**275.7**	-
Transfer from contributed surplus on exercise of options and restricted shares	**0.4**	0.5	**10.7**	11.3
Options exercised, including cash	**0.7**	-	**0.7**	-
Balance at the end of the period	**$ 14,890.6**	$ 14,599.0	**$ 14,890.6**	$ 14,599.0
Contributed surplus				
Balance at the beginning of the period	**$ 231.2**	$ 231.9	**$ 239.2**	$ 239.0
Share-based compensation	**3.2**	4.3	**7.4**	8.9
Transfer of fair value of exercised options and restricted shares	**(0.6)**	(0.6)	**(12.8)**	(12.3)
Balance at the end of the period	**$ 233.8**	$ 235.6	**$ 233.8**	$ 235.6
Accumulated deficit				
Balance at the beginning of the period	**$ (10,887.1)**	$ (9,944.3)	**$ (10,922.1)**	$ (9,937.6)
Net earnings (loss) attributable to common shareholders	**(25.0)**	(83.2)	**10.0**	(89.9)
Balance at the end of the period	**$ (10,912.1)**	$ (10,027.5)	**$ (10,912.1)**	$ (10,027.5)
Accumulated other comprehensive income (loss)				
Balance at the beginning of the period	**$ 7.6**	$ (64.5)	**$ (31.3)**	$ (46.1)
Other comprehensive income (loss)	**50.8**	29.3	**89.7**	10.9
Balance at the end of the period	**$ 58.4**	$ (35.2)	**$ 58.4**	$ (35.2)
Total accumulated deficit and accumulated other comprehensive income (loss)	**$ (10,853.7)**	$ (10,062.7)	**$ (10,853.7)**	$ (10,062.7)
Total common shareholders' equity	**$ 4,270.7**	$ 4,771.9	**$ 4,270.7**	$ 4,771.9
Non-controlling interest				
Balance at the beginning of the period	**$ 42.5**	$ 48.0	**$ 43.9**	$ 48.8
Net loss attributable to non-controlling interest	**(2.0)**	(1.3)	**(3.4)**	(2.1)
Balance at the end of the period	**$ 40.5**	$ 46.7	**$ 40.5**	$ 46.7
Total equity	**$ 4,311.2**	$ 4,818.6	**$ 4,311.2**	$ 4,818.6

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

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, 2016 were authorized for issue in accordance with a resolution of the board of directors on July 27, 2016.

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, 2015.

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, 2015 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 and are consistent with Note 5 of the Company’s annual audited consolidated financial statements for the year ended December 31, 2015.

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 contracts with customers. 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 15 on its consolidated financial statements.

Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 “Financial Instruments” (“IFRS 9”). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition, measurement and impairment of financial instruments and includes a substantially reformed approach to hedge accounting. The Company is in the process of determining the impact of IFRS 9 on its consolidated financial statements.

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

Leases

In January 2016, the IASB issued IFRS 16 "Leases" ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption, provided IFRS 15 has been applied, or is applied at the same date as IFRS 16. IFRS 16 requires lessees to recognize assets and liabilities for most leases. The Company is in the process of determining the impact of IFRS 16 on its consolidated financial statements.

4. ACQUISITION

Acquisition of Bald Mountain and remaining 50% interest in Round Mountain

On January 11, 2016, the Company completed the acquisition of 100% of the Bald Mountain gold mine ("Bald Mountain"), which includes a large associated land package, and the remaining 50% interest in the Round Mountain gold mine for $610.0 million in cash, subject to a working capital adjustment, which reduced the purchase price by $22.0 million to $588.0 million. In addition to the purchase price, Barrick Gold Corporation ("Barrick") will receive a contingent 2% net smelter return royalty on future gold production from Kinross' 100%-owned Bald Mountain lands that will come into effect following the post-closing production of 10 million ounces from such lands. Approximately 40% of the Bald Mountain land package is subject to a 50/50 exploration joint venture between Kinross and Barrick, with Kinross as the operator. Transaction costs associated with the acquisition totaling $7.8 million were expensed and included within other operating expense.

The acquisition, which was accounted for as a business combination as at January 11, 2016, represents a strategic fit with the Company's open-pit heap leach skill set and existing portfolio of operating assets, and enhances the production profile in the United States.

In finalizing the purchase price allocation during the second quarter of 2016, the Company adjusted the preliminary price allocation as indicated below. As the Company gained control of Round Mountain in the transaction, in accordance with IFRS, the assets and liabilities set out below represent 100% of the fair value of Round Mountain in addition to 100% of Bald Mountain.

	Preliminary	Adjustments	Final
Purchase Price Allocation			
Net working capital	$ 182.8	$ (90.0)	**$ 92.8**
Property, plant and equipment (including mineral interests)	725.9	91.6	**817.5**
Other long-term assets and investment in joint venture	19.7	(0.3)	**19.4**
Deferred tax liabilities	-	(16.2)	**(16.2)**
Provisions and other long-term liabilities	(178.4)	(7.1)	**(185.5)**
Net assets	$ 750.0	$ (22.0)	**$ 728.0**
Less: Fair value of previously held interest in Round Mountain	(140.0)	-	**(140.0)**
Cash consideration	$ 610.0	$ (22.0)	**$ 588.0**

As a result of reflecting the final purchase price adjustments retrospectively, the interim financial statements for the three months ended March 31, 2016 have been recast.

For the three months ended March 31, 2016, production cost of sales, depreciation, depletion, and amortization, other income (expense), and income tax expense decreased by $4.6 million, $14.6 million, $1.4 million, and $28.3 million respectively. As a result, net loss attributable to common shareholders and accumulated deficit decreased by $48.9 million.

As at March 31, 2016, net working capital and other long-term assets decreased by $61.8 million and $4.9 million, respectively; whereas, property, plant and equipment, deferred tax assets, deferred tax liabilities, provisions, and investment in joint ventures increased by $100.1 million, $25.2 million, $12.1 million, $2.9 million and $5.3 million, respectively.

(Unaudited, 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, 2016	December 31, 2015
Cash on hand and balances with banks	$ 721.0	$ 460.3
Short-term deposits	247.2	583.6
	$ 968.2	$ 1,043.9

Restricted cash:

	June 30, 2016	December 31, 2015
Restricted cash [(a)]	$ 11.4	$ 10.5

(a) Restricted cash relates to loan escrow judicial deposits and environmental indemnities related to Chirano and certain other sites.

ii. Accounts receivable and other assets:

	June 30, 2016	December 31, 2015
Trade receivables	$ 8.8	$ 4.4
Prepaid expenses	21.1	17.0
VAT receivable	35.8	53.4
Deposits	45.7	11.8
Other	15.0	21.6
	$ 126.4	$ 108.2

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

iii. Inventories:

	June 30, 2016	December 31, 2015
Ore in stockpiles [(a)]	$ **218.0**	$ 195.7
Ore on leach pads [(b)]	**364.0**	250.0
In-process	**85.0**	85.5
Finished metal	**35.0**	24.4
Materials and supplies	**523.5**	607.2
	1,225.5	1,162.8
Long-term portion of ore in stockpiles and ore on leach pads [(a),(b)]	**(169.0)**	(157.6)
	$ **1,056.5**	$ 1,005.2

(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 other long-term assets on the interim condensed consolidated balance sheet. See Note 5 vi.

(b) Ore on leach pads relates to the Company's Maricunga, Tasiast, Fort Knox, Round Mountain and Bald Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Maricunga in 2016, Tasiast in 2016, Fort Knox in 2020, Round Mountain in 2019 and Bald Mountain in 2022. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in other long-term assets on the interim condensed consolidated balance sheet. See Note 5 vi.

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

iv. Property, plant and equipment:

			Mineral Interests [(a)]					
		Land, plant and equipment		Development and operating properties		Pre-development properties		Total
Cost								
Balance at January 1, 2016	$	7,332.2	$	7,651.4	$	164.3	$	15,147.9
Additions		155.6		91.5		-		247.1
Acquisition [(b)]		417.4		400.1		-		817.5
Book value of Round Mountain prior to remeasurement on acquisition		(359.4)		(294.7)		-		(654.1)
Capitalized interest		4.1		2.5		-		6.6
Disposals		(12.8)		(0.7)		-		(13.5)
Other		9.3		(6.3)		-		3.0
Balance at June 30, 2016		7,546.4		7,843.8		164.3		15,554.5
Accumulated depreciation, depletion, amortization and impairment								
Balance at January 1, 2016	$	(4,835.1)	$	(5,639.7)	$	(79.4)	$	(10,554.2)
Depreciation, depletion and amortization		(247.8)		(194.8)		-		(442.6)
Book value of Round Mountain prior to remeasurement on acquisition		305.4		187.6		-		493.0
Disposals		10.4		-		-		10.4
Other		(1.3)		-		-		(1.3)
Balance at June 30, 2016		(4,768.4)		(5,646.9)		(79.4)		(10,494.7)
Net book value	$	2,778.0	$	2,196.9	$	84.9	$	5,059.8
Amount included above as at June 30, 2016:								
Assets under construction	$	261.8	$	137.7	$	-	$	399.5
Assets not being depreciated [(c)]	$	426.7	$	338.6	$	84.9	$	850.2

(a) At June 30, 2016, the significant development and operating properties include Fort Knox, Round Mountain, Bald Mountain, Paracatu, Maricunga, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, and Lobo-Marte. Included in pre-development properties are White Gold and other exploration properties.

(b) Bald Mountain and the remaining 50% interest in Round Mountain were acquired on January 11, 2016. See Note 4.

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

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

	Land, plant and equipment	Mineral Interests[(a)] Development and operating properties	Mineral Interests[(a)] Pre-development properties	Total
Cost				
Balance at January 1, 2015	$ 7,020.1	$ 7,462.2	$ 168.8	$ 14,651.1
Additions	349.3	175.9	-	525.2
Capitalized interest	16.9	23.6	-	40.5
Disposals	(71.0)	(3.6)	(4.7)	(79.3)
Other	16.9	(6.7)	0.2	10.4
Balance at December 31, 2015	7,332.2	7,651.4	164.3	15,147.9
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2015	$ (4,191.8)	$ (4,970.7)	$ (79.2)	$ (9,241.7)
Depreciation, depletion and amortization	(484.5)	(446.4)	-	(930.9)
Impairment charge [(b)]	(220.8)	(218.7)	-	(439.5)
Disposals	59.9	-	-	59.9
Other	2.1	(3.9)	(0.2)	(2.0)
Balance at December 31, 2015	(4,835.1)	(5,639.7)	(79.4)	(10,554.2)
Net book value	$ 2,497.1	$ 2,011.7	$ 84.9	$ 4,593.7
Amount included above as at December 31, 2015:				
Assets under construction	$ 201.9	$ 121.2	$ -	$ 323.1
Assets not being depreciated [(c)]	$ 361.1	$ 322.1	$ 84.9	$ 768.1

(a) At December 31, 2015, the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, Maricunga, Kupol, Kettle River-Buckhorn, Tasiast, Chirano, and Lobo-Marte. Included in pre-development properties are White Gold and other exploration properties.

(b) At December 31, 2015, an impairment charge was recorded against property, plant and equipment at Fort Knox, Round Mountain, and Tasiast.

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

Capitalized interest primarily relates to capital expenditures at Fort Knox, Round Mountain, Kupol, Paracatu, and Tasiast and had an annualized weighted average borrowing rate of 4.9% for the six months ended June 30, 2016 (six months ended June 30, 2015 – 4.7%).

At June 30, 2016, $215.8 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2015 - $215.6 million). During the three and six months ended June 30, 2016, $2.0 million and $2.6 million (three and six months ended June 30, 2015 – $2.5 million and $3.3 million, respectively), of E&E expenditures were expensed by the Company and included in operating cash flows.

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

v. 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, 2016		December 31, 2015	
	Fair value	**Gains (losses) in AOCI**	Fair value	Gains (losses) in AOCI
Investments in an unrealized gain position	**$ 145.3**	**$ 45.7**	$ 10.4	$ 1.4
Investments in an unrealized loss position	**0.3**	**(1.3)**	72.7	(20.1)
	$ 145.6	**$ 44.4**	$ 83.1	$ (18.7)

vi. Other long-term assets:

	June 30, 2016	December 31, 2015
Long-term portion of ore in stockpiles and ore on leach pads [(a)]	**$ 169.0**	$ 157.6
Deferred charges, net of amortization	**7.1**	7.9
Long-term receivables	**195.5**	161.7
Advances for the purchase of capital equipment	**5.6**	6.7
Other	**36.0**	36.3
	$ 413.2	$ 370.2

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. At June 30, 2016, long-term ore in stockpiles was at the Company's Fort Knox, Kupol, Tasiast, Chirano and Paracatu mines, and long-term ore on leach pads was at the Company's Fort Knox and Round Mountain mines.

vii. Accounts payable and accrued liabilities:

	June 30, 2016	December 31, 2015
Trade payables	**$ 77.1**	$ 75.2
Accrued liabilities	**241.0**	206.2
Employee related accrued liabilities	**114.3**	98.2
	$ 432.4	$ 379.6

viii. Accumulated other comprehensive income (loss):

	Long-term Investments	Derivative Contracts	Total
Balance at December 31, 2014	$ 1.8	$ (47.9)	$ (46.1)
Other comprehensive income (loss) before tax	(20.5)	43.5	23.0
Tax	-	(8.2)	(8.2)
Balance at December 31, 2015	$ (18.7)	$ (12.6)	$ (31.3)
Other comprehensive income before tax	**63.1**	**34.0**	**97.1**
Tax	**-**	**(7.4)**	**(7.4)**
Balance at June 30, 2016	**$ 44.4**	**$ 14.0**	**$ 58.4**

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

Interim Condensed Consolidated Statements of Operations

ix. Other income (expense) – net:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Gains (losses) on sale of other assets - net	**$ 3.0**	$ (0.2)	**$ 6.5**	$ (1.4)
Impairment of investments	**-**	(1.5)	**-**	(1.5)
Foreign exchange losses	**(6.2)**	(6.5)	**(9.0)**	(7.5)
Net non-hedge derivative gains (losses)	**(6.9)**	0.1	**(0.4)**	(1.8)
Other [(a)]	**13.8**	1.8	**16.1**	4.0
	$ 3.7	$ (6.3)	**$ 13.2**	$ (8.2)

(a) During the three and six months ended June 30, 2016, the Company received $13.0 million in insurance recoveries.

x. Finance expense:

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Accretion on reclamation and remediation obligations	**$ (8.5)**	$ (7.0)	**$ (17.0)**	$ (13.9)
Interest expense, including accretion on debt [(a)]	**(23.8)**	(16.7)	**(48.5)**	(33.8)
	$ (32.3)	$ (23.7)	**$ (65.5)**	$ (47.7)

(a) During the three and six months ended June 30, 2016, $3.4 million and $6.6 million, respectively (three and six months ended June 30, 2015 – $9.9 million and $19.5 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, 2016 was $4.0 million and $47.5 million, respectively (three and six months ended June 30, 2015 - $3.5 million and $46.5 million, respectively).

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

6. 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.

Assets (liabilities) measured at fair value on a recurring basis as at June 30, 2016 include:

	Level 1	Level 2	Level 3	Aggregate Fair Value
Available-for-sale investments	$ 145.6	$ -	$ -	$ 145.6
Derivative contracts:				
Foreign currency forward and collar contracts	-	11.4	-	11.4
Energy swap contracts	-	6.2	-	6.2
Total return swap contracts	-	8.1	-	8.1
	$ 145.6	$ 25.7	$ -	$ 171.3

The valuation techniques that are used to measure assets and liabilities at fair value on a recurring basis 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.

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

The following table summarizes information about derivative contracts outstanding at June 30, 2016 and December 31, 2015:

	June 30, 2016		December 31, 2015	
	Asset / (Liability) Fair Value	AOCI	Asset / (Liability) Fair Value	AOCI
Currency contracts				
Foreign currency forward and collar contracts [(a), (c)]	11.4	7.9	(13.8)	(10.9)
Commodity contracts				
Energy swap contracts [(b)]	6.2	6.1	(2.2)	(1.7)
Other contracts				
Total return swap contracts	8.1	-	1.0	-
Total all contracts	$ 25.7	$ 14.0	$ (15.0)	$ (12.6)
Unrealized fair value of derivative assets				
Current	21.4		1.0	
Non-current	5.3		-	
	$ 26.7		$ 1.0	
Unrealized fair value of derivative liabilities				
Current	(1.0)		(16.0)	
Non-current	-		-	
	$ (1.0)		$ (16.0)	
Total net fair value	$ 25.7		$ (15.0)	

(a) Of the total amount recorded in AOCI at June 30, 2016, $6.4 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(b) Of the total amount recorded in AOCI at June 30, 2016, $2.9 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(c) During the three and six months ended June 30, 2016, the Company entered into zero cost collar contracts for future exchange rates of the Brazilian real. The put and call collars were entered into with a counterparty, in which a floor and ceiling relative to the future exchange rate of the Brazilian real is agreed upon. If the Brazilian real is below the floor, the counterparty pays the Company the difference between the exchange rate and the floor. If the Brazilian real is above the ceiling, the Company pays the counterparty the difference between the ceiling and the exchange rate.

(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 7.

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

7. LONG-TERM DEBT AND CREDIT FACILITIES

			June 30, 2016				December 31, 2015	
		Interest Rates	Nominal Amount	Deferred Financing Costs	Carrying Amount (a)	Fair Value (b)	Carrying Amount (a)	Fair Value (b)
Corporate term loan facility	(i)	Variable	$ 500.0	$ (1.7)	$ 498.3	$ 498.3	$ 498.0	$ 498.0
Senior notes	(ii)	3.625%-6.875%	1,494.7	(10.0)	1,484.7	1,484.9	1,483.4	1,035.3
			1,994.7	(11.7)	1,983.0	1,983.2	1,981.4	1,533.3
Less: current portion			(250.0)	0.1	(249.9)	(250.5)	(249.5)	(250.4)
Long-term debt			$ 1,744.7	$ (11.6)	$ 1,733.1	$ 1,732.7	$ 1,731.9	$ 1,282.9

(a) Includes transaction costs on debt financings.
(b) The fair value of debt is primarily determined using quoted market determined variables. See Note 6 (b).

(i) Corporate revolving credit and term loan facilities

On July 24, 2015, the Company amended its $1,500 million revolving credit facility and $500 million term loan to extend the respective maturity dates. The revolving credit facility's term was extended by one year to August 10, 2020 from August 10, 2019, and the term loan was extended by one year to August 10, 2019 from August 10, 2018.

As at June 30, 2016, the Company had utilized $37.7 million (December 31, 2015 – $31.3 million) of the amended $1,500.0 million revolving credit facility. The amount utilized was entirely for letters of credit. 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, 2016, interest charges and fees, are as follows:

Type of credit	
Dollar based LIBOR loan:	
Term Loan	LIBOR plus 1.95%
Revolving credit facility	LIBOR plus 2.00%
Letters of credit	1.33-2.00%
Standby fee applicable to unused availability	0.40%

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 Company is in compliance with its financial covenant in the credit agreement at June 30, 2016.

On July 26, 2016, the Company extended the maturity dates of the term loan and revolving credit facility by one year to August 10, 2020 and August 10, 2021, respectively.

(ii) Senior notes

The Company's $1.5 billion of senior notes consist 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, $500.0 million principal amount of 5.950% senior notes due 2024, and $250.0 million principal amount of 6.875% senior notes due 2041.

The $250.0 million 3.625% senior notes mature in September 2016.

(iii) Other

Effective June 30, 2016, the maturity date for the $250.0 million Letter of Credit guarantee facility with Export Development Canada ("EDC") was extended to June 30, 2017. Letters of credit guaranteed under 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, 2016 and December 31, 2015, $212.7 million was utilized under this facility.

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

In addition, at June 30, 2016, the Company had $51.1 million (December 31, 2015 - $33.4 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.

As at June 30, 2016, $216.7 million of surety bonds were issued with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

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, 2016 and December 31, 2015, $nil was outstanding under such borrowings.

8. PROVISIONS

	Reclamation and remediation obligations (i)	Other	Total
Balance at January 1, 2016	$ 720.3	$ 50.8	$ 771.1
Additions resulting from acquisitions [(a)]	123.4	-	123.4
Additions	-	10.0	10.0
Reductions	-	(1.7)	(1.7)
Reclamation spending	(9.2)	-	(9.2)
Accretion	17.0	-	17.0
Balance at June 30, 2016	$ 851.5	$ 59.1	$ 910.6
Current portion	37.1	16.2	53.3
Non-current portion	814.4	42.9	857.3
	$ 851.5	$ 59.1	$ 910.6

(a) Bald Mountain and the remaining 50% interest in Round Mountain were acquired on January 11, 2016. See Note 4.

(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, 2016, letters of credit totaling $268.5 million (December 31, 2015 – $249.5 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 EDC, 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. As at June 30, 2016, $216.7 million of surety bonds were issued with respect to Kinross' operations in the United States. The surety bonds were issued pursuant to arrangements with international insurance companies.

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

9. COMMON SHARE CAPITAL

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, 2016 and year ended December 31, 2015 is as follows:

	Six months ended June 30, 2016			Year ended December 31, 2015		
	Number of shares		**Amount ($)**	Number of shares		Amount ($)
	(000's)			(000's)		
Common shares						
Balance at January 1,	**1,146,540**	**$**	**14,603.5**	1,144,576	$	14,587.7
Equity issuance [(a)]	**95,910**		**275.7**	-		-
Under share option and restricted share plans	**1,908**		**11.4**	1,964		15.8
Balance at end of period	**1,244,358**	**$**	**14,890.6**	1,146,540	$	14,603.5
Total common share capital		**$**	**14,890.6**		$	14,603.5

(a) On March 4, 2016, the Company completed a public equity offering of 83.4 million common shares at a price of $3.00 per common share for gross proceeds of approximately $250.0 million. On March 15, 2016, the underwriters elected to exercise an option to purchase up to an additional 15% of the offering to cover over-allotments, and as a result, an additional 12.5 million common shares were issued at a price of $3.00 per common share. The sale was completed on March 18, 2016 and increased the gross proceeds from the offering to $287.7 million. Transaction costs of $12.0 million resulted in net proceeds of $275.7 million.

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

10. SHARE-BASED PAYMENTS

i. Share option plan

The following table summarizes information about the stock options outstanding and exercisable at June 30, 2016:

	Six months ended June 30, 2016	
	Number of options (000's)	Weighted average exercise price (CDN$)
Outstanding at January 1, 2016	13,513	$ 7.57
Granted	1,872	4.17
Exercised	(196)	4.92
Forfeited	(736)	6.77
Outstanding at end of period	14,453	$ 7.21
Exercisable at end of period	9,623	$ 8.70

For the six months ended June 30, 2016, the weighted average share price at the date of exercise was CDN$6.63.

The following weighted average assumptions were used in computing the fair value of stock options using the Black-Scholes option pricing model granted during the six months ended June 30, 2016:

Weighted average share price (CDN$)	$ 4.17
Expected dividend yield	0.0%
Expected volatility	56.9%
Risk-free interest rate	0.6%
Expected option life (in years)	4.5
Weighted average fair value per share option granted (CDN$)	$ 1.92

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

(Unaudited, 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, 2016:

	Six months ended June 30, 2016		
	Number of units (000's)		Weighted average fair value (CDN$/unit)
Outstanding at January 1, 2016	**9,041**	**$**	**4.41**
Granted	**5,376**		**4.10**
Redeemed	**(3,576)**		**5.00**
Forfeited	**(516)**		**4.24**
Outstanding at end of period	**10,325**	**$**	**4.05**

As at June 30, 2016, the Company had recognized a liability of $12.3 million (December 31, 2015 - $4.8 million) in respect of its cash-settled RSUs.

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

The following table summarizes information about the RPSUs outstanding at June 30, 2016:

	Six months ended June 30, 2016		
	Number of units (000's)		Weighted average fair value (CDN$/unit)
Outstanding at January 1, 2016	**4,313**	**$**	**4.88**
Granted	**1,887**		**4.47**
Redeemed	**(439)**		**7.05**
Forfeited	**(401)**		**5.82**
Outstanding at end of period	**5,360**	**$**	**4.49**

iii. Deferred share unit ("DSU") plan

The number of DSUs granted by the Company was 149,511 and the weighted average fair value per unit issued was CDN$5.19 for the six months ended June 30, 2016.

There were 1,162,827 DSUs outstanding, for which the Company had recognized a liability of $5.7 million, as at June 30, 2016 (December 31, 2015 - $2.2 million).

iv. Employee share purchase plan

The compensation expense related to the employee Share Purchase Plan for the three and six months ended June 30, 2016 was $0.5 million and $1.0 million, respectively (three and six months ended June 30, 2015 - $0.5 million and $1.1 million, respectively).

11. EARNINGS (LOSS) PER SHARE

Basic and diluted net earnings (loss) attributable to common shareholders of Kinross for the three and six months ended June 30, 2016 was $(25.0) million and $10.0 million, respectively (three and six months ended June 30, 2015 - $(83.2) million and $(89.9) million, respectively).

The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted loss per common share for the following periods:

(Number of common shares in thousands)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
Basic weighted average shares outstanding:	**1,244,198**	1,146,234	**1,208,917**	1,145,690
Weighted average shares dilution adjustments:				
Stock options [(a)]	**-**	-	**1,098**	-
Restricted shares	**-**	-	**4,375**	-
Restricted performance shares	**-**	-	**5,050**	-
Diluted weighted average shares outstanding	**1,244,198**	1,146,234	**1,219,440**	1,145,690
Weighted average shares dilution adjustments - exclusions: [(b)]				
Stock options [(a)]	**14,453**	14,084	**9,709**	13,254
Restricted shares	**4,221**	4,880	**-**	4,215
Restricted performance shares	**5,360**	4,611	**-**	3,934

(a) Dilutive stock options were determined using the Company's average share price for the period. For the three and six months ended June 30, 2016, the average share price used was $4.77 and $3.65, respectively (three and six months ended June 30, 2015 - $2.38 and $2.64, respectively).

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

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

12. SEGMENTED INFORMATION

Operating segments

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

	Operating segments									Non-operating segments [a]	
Three months ended June 30, 2016:	Fort Knox	Round Mountain [c]	Bald Mountain [c]	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [b]	Total
Revenue											
Metal sales	$ 123.9	117.4	44.9	159.5	58.1	251.5	31.6	35.9	53.6	-	$ 876.4
Cost of sales											
Production cost of sales	77.4	71.3	43.2	87.5	42.6	82.9	18.2	35.3	48.3	-	506.7
Depreciation, depletion and amortization	22.3	20.8	8.6	35.4	11.6	59.9	0.8	22.3	25.8	2.7	210.2
Total cost of sales	99.7	92.1	51.8	122.9	54.2	142.8	19.0	57.6	74.1	2.7	716.9
Gross profit (loss)	$ 24.2	25.3	(6.9)	36.6	3.9	108.7	12.6	(21.7)	(20.5)	(2.7)	$ 159.5
Other operating expense	0.1	-	1.1	1.9	9.0	(0.4)	-	18.5	3.3	2.6	36.1
Exploration and business development	1.0	0.3	0.8	-	-	3.1	0.6	1.5	2.7	11.8	21.8
General and administrative	-	-	-	-	-	-	-	-	-	32.4	32.4
Operating earnings (loss)	$ 23.1	25.0	(8.8)	34.7	(5.1)	106.0	12.0	(41.7)	(26.5)	(49.5)	$ 69.2
Other income (expense) - net											3.7
Equity in earnings (losses) of associate and joint ventures											(0.1)
Finance income											1.9
Finance expense											(32.3)
Earnings before tax											$ 42.4

	Operating segments								Non-operating segments [a]	
Three months ended June 30, 2015:	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [b]	Total
Revenue										
Metal sales	$ 135.6	57.1	127.9	60.8	191.5	35.1	65.2	82.0	-	$ 755.2
Cost of sales										
Production cost of sales	68.9	36.4	90.5	55.0	78.3	23.4	58.4	47.6	-	458.5
Depreciation, depletion and amortization	37.2	12.0	36.4	6.4	56.3	3.3	18.7	44.6	1.8	216.7
Impairment charges	-	-	-	24.5	-	-	-	-	-	24.5
Total cost of sales	106.1	48.4	126.9	85.9	134.6	26.7	77.1	92.2	1.8	699.7
Gross profit (loss)	$ 29.5	8.7	1.0	(25.1)	56.9	8.4	(11.9)	(10.2)	(1.8)	$ 55.5
Other operating expense	0.5	-	(0.3)	14.4	(0.1)	0.1	18.7	1.7	14.0	49.0
Exploration and business development	4.0	0.7	-	-	4.2	0.9	3.4	4.6	11.9	29.7
General and administrative	-	-	-	-	-	-	-	0.1	44.5	44.6
Operating earnings (loss)	$ 25.0	8.0	1.3	(39.5)	52.8	7.4	(34.0)	(16.6)	(72.2)	$ (67.8)
Other income (expense) - net										(6.3)
Equity in earnings (losses) of associate and joint venture										5.9
Finance income										2.0
Finance expense										(23.7)
Loss before tax										$ (89.9)

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

	Operating segments									Non-operating segments [(a)]	
Six months ended June 30, 2016:	Fort Knox	Round Mountain [(c)]	Bald Mountain [(c)]	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [(b)]	Total
Revenue											
Metal sales	$ 226.7	223.8	58.3	298.1	126.0	458.6	64.4	93.7	109.4	-	$ 1,659.0
Cost of sales											
Production cost of sales	139.6	131.7	56.3	167.4	89.9	161.1	40.4	82.5	95.5	-	964.4
Depreciation, depletion and amortization	45.8	36.9	10.6	70.8	22.4	112.8	2.2	45.0	51.5	5.4	403.4
Total cost of sales	185.4	168.6	66.9	238.2	112.3	273.9	42.6	127.5	147.0	5.4	1,367.8
Gross profit (loss)	$ 41.3	55.2	(8.6)	59.9	13.7	184.7	21.8	(33.8)	(37.6)	(5.4)	$ 291.2
Other operating expense	0.1	-	1.1	6.3	9.0	(0.4)	0.1	36.3	4.0	13.5	70.0
Exploration and business development	1.1	0.7	1.9	-	-	4.8	0.7	3.4	4.4	21.5	38.5
General and administrative	-	-	-	-	-	-	-	-	-	70.7	70.7
Operating earnings (loss)	$ 40.1	54.5	(11.6)	53.6	4.7	180.3	21.0	(73.5)	(46.0)	(111.1)	$ 112.0
Other income (expense) - net											13.2
Equity in earnings (losses) of associate and joint ventures											0.1
Finance income											3.5
Finance expense											(65.5)
Earnings before tax											$ 63.3

	Operating segments								Non-operating segments [(a)]	
Six months ended June 30, 2015:	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [(b)]	Total
Revenue										
Metal sales	$ 235.7	107.7	278.6	128.3	424.2	64.6	128.1	169.4	-	$ 1,536.6
Cost of sales										
Production cost of sales	124.0	72.4	184.4	111.0	169.8	47.7	110.3	93.5	-	913.1
Depreciation, depletion and amortization	61.8	21.0	74.2	11.8	120.2	7.4	34.9	88.2	3.4	422.9
Impairment charges	-	-	-	24.5	-	-	-	-	-	24.5
Total cost of sales	185.8	93.4	258.6	147.3	290.0	55.1	145.2	181.7	3.4	1,360.5
Gross profit (loss)	$ 49.9	14.3	20.0	(19.0)	134.2	9.5	(17.1)	(12.3)	(3.4)	$ 176.1
Other operating expense	0.6	-	5.4	14.4	(0.1)	0.1	22.6	2.9	19.4	65.3
Exploration and business development	4.6	0.7	-	-	7.2	1.0	8.1	8.5	22.4	52.5
General and administrative	-	-	-	-	-	-	-	0.1	83.5	83.6
Operating earnings (loss)	$ 44.7	13.6	14.6	(33.4)	127.1	8.4	(47.8)	(23.8)	(128.7)	$ (25.3)
Other income (expense) - net										(8.2)
Equity in earnings (losses) of associate and joint venture										4.9
Finance income										4.2
Finance expense										(47.7)
Loss before tax										$ (72.1)

	Operating segments									Non-operating segments [(a)]	
	Fort Knox	Round Mountain [(c)]	Bald Mountain [(c)]	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [(b)]	Total
Property, plant and equipment at: June 30, 2016	$ 235.5	328.3	445.8	1,643.9	114.6	671.5	1.5	781.5	463.2	374.0	$ 5,059.8
Total assets at: June 30, 2016	$ 459.1	472.5	559.5	1,897.0	295.4	1,524.6	17.3	1,044.7	605.2	1,431.6	$ 8,306.9
Capital expenditures for three months ended June 30, 2016 [(d)]	$ 18.2	12.7	5.6	17.3	1.2	15.9	-	40.0	15.8	2.5	$ 129.2
Capital expenditures for six months ended June 30, 2016 [(d)]	$ 32.2	26.8	7.3	24.1	2.1	42.4	-	89.6	24.2	5.0	$ 253.7

	Operating segments								Non-operating segments [(a)]	
	Fort Knox	Round Mountain	Paracatu	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Corporate and other [(b)]	Total
Property, plant and equipment at: December 31, 2015	$ 244.9	161.4	1,693.0	139.0	753.0	2.5	736.3	489.2	374.4	$ 4,593.7
Total assets at: December 31, 2015	$ 480.5	229.5	1,935.9	373.3	1,566.3	26.6	1,010.1	645.6	1,467.6	$ 7,735.4
Capital expenditures for three months ended June 30, 2015 [(d)]	$ 34.1	11.9	34.3	7.0	10.7	-	35.0	4.3	10.5	$ 147.8
Capital expenditures for six months ended June 30, 2015 [(d)]	$ 76.6	22.4	44.1	14.5	25.6	0.5	69.8	15.2	23.6	$ 292.3

(a) Non-operating segments include development properties.

(b) Corporate and other includes corporate, Cerro Casale, shutdown and other non-operating assets (including La Coipa, Lobo-Marte and White Gold).

(c) Bald Mountain and the remaining 50% interest in Round Mountain were acquired on January 11, 2016. See Note 4.

(d) Segment 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.

13. 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.

Purchase commitments

At June 30, 2016, the Company had future commitments of approximately $117.5 million for capital expenditures.

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 $20.0 million to Barrick if a positive production decision is made relating to the Cerro Casale project.

Other legal matters

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

Maricunga Regulatory Proceedings

In late 2013, Compania Minera Maricunga ("CMM") was fined approximately $40,000 in respect of the degradation of the Pantanillo wetland located near the Maricunga mine's water pumping wells. In May 2015, the Chile environmental enforcement authority (the "SMA") issued a resolution alleging that CMM had irreparably harmed portions of the Pantanillo wetland and two other downstream wetlands known respectively as Valle Ancho and Barros Negros, and that the mine's continuing water use poses an imminent risk to those wetlands. In response, CMM submitted legal and technical defenses, expert reports and other materials challenging the SMA's allegations, and, as required by law, responded to various information requests from the SMA. On March 18, 2016, the SMA issued a resolution against CMM in respect of the SMA's May 2015 allegations regarding the Valle Ancho wetland, located approximately 7 kilometers downgradient from CMM's groundwater wells, seeking to impose a sanction of an immediate complete curtailment of water use from the groundwater wells and related aquifer (the "sanction proceedings"). The Maricunga mine relies solely on water from the Pantanillo area groundwater wells to support its operations. On March 28, 2016, CMM filed a request with the SMA to reconsider the sanction proceedings resolution (the "reconsideration"). While reserving its rights of appeal, CMM requested reconsideration of the sanction on the basis that a complete stoppage of water use at the Maricunga mine was both legally and technically flawed, and could have serious environmental, health and safety consequences. Specifically, until the Maricunga mine is closed in accordance with the government-approved closure plan, the mine will require some water to ensure the health and safety of its personnel and local communities, maintain the environmental stability of the heap leach facilities, and complete closure of the mine in an environmentally responsible manner in accordance with its permits, applicable laws and international best practices. In April 2016, the SMA performed a site visit to inspect the process facilities and pumping wells, following which it requested, and CMM submitted, various detailed technical design and operational information. On May 2, 2016, the SMA issued a resolution ordering CMM to cease pumping water from the groundwater wells for 15-days. During this period, CMM suspended mining and crushing activities, reduced water consumption to minimal levels, and made various submissions to the SMA regarding the mine's minimum water requirements in this temporary suspension scenario. On May 19, 2016, CMM appealed the resolution to the Environmental Tribunal. On the same date, concurrent with expiry of the first order, the SMA issued a second resolution ordering CMM to curtail water use to the minimum levels that CMM had previously reported as being necessary for short-term preservation of health, safety and the environment for period of 25 business days (until June 24, 2016). During the term of the order, crushing and mining operations remained suspended, and CMM answered further demands from the SMA for technical information on water use requirements. On May 27, 2016, CMM appealed this second resolution to the Environmental Tribunal. Both appeals have been accepted for consideration by the Environmental Tribunal, and a hearing is subject to scheduling. In addition, a union at Maricunga appealed the second resolution on constitutional grounds, and that appeal remains subject to decision by the Supreme Court. On June 24, 2016, the SMA issued a decision on the reconsideration, and amended the initial sanction. The new sanction, if affirmed by the Environmental Tribunal, would require CMM to effectively cease operations and close the mine, with water use curtailed to levels far below those required for closure in compliance with the mine's government-approved plan. On the same date, the SMA issued a third resolution ordering CMM to immediately curtail water use to levels specified under the May 19, 2016 resolution, for period ending on the earlier of 15 days or the filing of CMM's appeal in the sanction proceedings. On July 9, 2016, CMM filed its appeal in sanction proceedings and the mine immediately recommenced full operation. As part of its appeal, CMM submitted legal and technical arguments and reports by experts on wetland vegetation, analysis of long-term satellite imagery and groundwater hydrology criticizing the evidence relied upon by the SMA and concluding that current data does not support an assertion that CMM's pumping is negatively impacting water levels 7 kilometers downgradient at the Valle Ancho wetland. It is possible that the SMA will apply to the Environmental Tribunal for an injunction to curtail water use at the mine and/or closes the mine on the same terms as the new proposed sanction, pending a decision by the Tribunal on CMM's appeal in the sanction proceeding. CMM intends to vigorously oppose any such injunction, and pursue all other available remedies.

On June 2, 2016, CMM was served with two separate lawsuits filed by the Chilean State Defense Counsel. Both lawsuits are based upon allegations that CMM's pumping from its Pantanillo area groundwater wells has caused damage to area wetlands. One action relates to the Pantanillo wetland, and is based upon the sanction imposed upon CMM in late 2013 (as described above). The other action relates to the Valle Ancho wetland, and is largely based upon the same factual assertions at issue in the SMA sanction proceedings. These lawsuits seek, among other things, to require CMM to cease pumping from the groundwater wells, finance various investigations and conduct restoration activities. On June 20, 2016, CMM filed its defenses, and will continue to vigorously defend itself in these proceedings.

Sunnyside Litigation

The Sunnyside Mine is an inactive mine situated in the Bonita Peak Mining District near Silverton, Colorado. A subsidiary of Kinross, Sunnyside Gold Corporation ("SGC"), was involved in operations at the mine for a period in the late-1980s to early 1990s and subsequently conducted various reclamation and closure activities at the mine and in the surrounding area. The Environmental Protection Agency (the "EPA") is actively investigating the district and has formally proposed adding portions of the district, including areas impacted by SGC's operations and closure activities, to the Superfund National Priorities List. There is a substantial probability the EPA will assert that the Company is a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") and is jointly and severally liable for CERCLA response costs incurred in the district. In addition, the EPA may seek to require SGC to conduct investigative and remedial activities. On August 5, 2015, while working in another mine in the district known as the Gold King, the EPA caused a release of approximately three million gallons of contaminated water into a tributary of the Animas River. In May of 2016, the State of New Mexico filed a Complaint naming EPA, SGC, Kinross and others alleging violations of CERCLA, the Resource Conservation and Recovery Act ("RCRA"), and the Clean Water Act ("CWA") and claiming negligence, gross negligence, public nuisance and trespass. The Complaint seeks cost recovery, damages, injunctive relief, and attorney's fees. The Company has also received a "notice of intent to sue" letter from the State of Utah indicating that it intends to sue a number of parties, including the EPA, and the Company, for, among other things, injunctive relief, costs, damages and attorneys' fees under RCRA, the CWA and the Utah Water Quality Act. Kinross and SGC will vigorously defend themselves in the action that has been brought by the State of New Mexico and any action that may be brought by the State of Utah.

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.

14. CONSOLIDATING FINANCIAL STATEMENTS

The obligations of the Company under the senior notes are guaranteed by the following 100% owned subsidiaries of the Company (the “guarantor subsidiaries”): Round Mountain Gold Corporation, Kinross Brasil Mineração S.A., 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, 2016 and December 31, 2015 and the consolidating statements of operations, statements of comprehensive income (loss) and statements of cash flows for the six months ended June 30, 2016 and 2015. 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.

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

Consolidating balance sheet as at June 30, 2016

		Guarantors			Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	$ 184.2	$ 130.6	$ -	$ 314.8	$ 653.4	$ -	$ 968.2
Restricted cash	-	4.5	-	4.5	6.9	-	11.4
Accounts receivable and other assets	7.4	33.0	-	40.4	86.0	-	126.4
Intercompany receivables	535.8	1,173.8	(156.5)	1,553.1	4,513.1	(6,066.2)	-
Current income tax recoverable	-	58.6	-	58.6	22.2	-	80.8
Inventories	2.3	382.5	-	384.8	671.7	-	1,056.5
Unrealized fair value of derivative assets	16.0	8.4	-	24.4	(3.0)	-	21.4
	745.7	1,791.4	(156.5)	2,380.6	5,950.3	(6,066.2)	2,264.7
Non-current assets							
Property, plant and equipment	28.3	2,449.8	-	2,478.1	2,581.7	-	5,059.8
Goodwill	-	-	-	-	162.7	-	162.7
Long-term investments	143.9	-	-	143.9	1.7	-	145.6
Investments in associate and joint ventures	-	80.1	-	80.1	83.2	-	163.3
Intercompany investments	3,275.6	172.3	(2,980.3)	467.6	10,798.4	(11,266.0)	-
Unrealized fair value of derivative assets	19.3	2.2	-	21.5	(16.2)	-	5.3
Other long-term assets	7.1	159.7	-	166.8	246.4	-	413.2
Long-term intercompany receivables	3,257.4	262.6	(181.7)	3,338.3	5,908.3	(9,246.6)	-
Deferred tax assets	-	4.5	-	4.5	87.8	-	92.3
Total assets	$ 7,477.3	$ 4,922.6	$ (3,318.5)	$ 9,081.4	$ 25,804.3	$ (26,578.8)	$ 8,306.9
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	$ 76.7	$ 130.4	$ -	$ 207.1	$ 225.3	$ -	$ 432.4
Intercompany payables	135.2	553.3	(156.5)	532.0	5,534.2	(6,066.2)	-
Current income tax payable	-	6.2	-	6.2	34.6	-	40.8
Current portion of long-term debt	249.9	-	-	249.9	-	-	249.9
Current portion of provisions	-	21.0	-	21.0	32.3	-	53.3
Current portion of unrealized fair value of derivative liabilities	0.5	0.3	-	0.8	0.2	-	1.0
	462.3	711.2	(156.5)	1,017.0	5,826.6	(6,066.2)	777.4
Non-current liabilities							
Long-term debt	1,733.1	-	-	1,733.1	-	-	1,733.1
Provisions	10.9	479.7	-	490.6	366.7	-	857.3
Other long-term liabilities	-	87.1	-	87.1	108.7	-	195.8
Long-term intercompany payables	1,000.3	437.9	(181.7)	1,256.5	7,990.1	(9,246.6)	-
Deferred tax liabilities	-	226.4	-	226.4	205.7	-	432.1
Total liabilities	3,206.6	1,942.3	(338.2)	4,810.7	14,497.8	(15,312.8)	3,995.7
Equity							
Common shareholders' equity							
Common share capital	$ 14,890.6	$ 1,828.2	$ (1,828.2)	$ 14,890.6	$ 18,347.1	$ (18,347.1)	$ 14,890.6
Contributed surplus	233.8	59.7	(59.7)	233.8	3,299.4	(3,299.4)	233.8
Accumulated deficit	(10,912.1)	1,095.1	(1,095.1)	(10,912.1)	(10,365.8)	10,365.8	(10,912.1)
Accumulated other comprehensive income (loss)	58.4	(2.7)	2.7	58.4	(14.7)	14.7	58.4
Total common shareholders' equity	4,270.7	2,980.3	(2,980.3)	4,270.7	11,266.0	(11,266.0)	4,270.7
Non-controlling interest	-	-	-	-	40.5	-	40.5
Total equity	4,270.7	2,980.3	(2,980.3)	4,270.7	11,306.5	(11,266.0)	4,311.2
Total liabilities and equity	$ 7,477.3	$ 4,922.6	$ (3,318.5)	$ 9,081.4	$ 25,804.3	$ (26,578.8)	$ 8,306.9

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

Consolidating balance sheet as at December 31, 2015

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	$ 113.8	$ 171.0	$ -	$ 284.8	$ 759.1	$ -	$ 1,043.9
Restricted cash	-	3.0	-	3.0	7.5	-	10.5
Accounts receivable and other assets	4.8	33.7	-	38.5	69.7	-	108.2
Intercompany receivables	541.2	1,045.4	(203.2)	1,383.4	4,737.9	(6,121.3)	-
Current income tax recoverable	-	75.0	-	75.0	48.3	-	123.3
Inventories	1.5	397.0	-	398.5	606.7	-	1,005.2
Unrealized fair value of derivative assets	1.5	-	-	1.5	(0.5)	-	1.0
	662.8	1,725.1	(203.2)	2,184.7	6,228.7	(6,121.3)	2,292.1
Non-current assets							
Property, plant and equipment	29.3	2,527.4	-	2,556.7	2,037.0	-	4,593.7
Goodwill	-	-	-	-	162.7	-	162.7
Long-term investments	82.7	-	-	82.7	0.4	-	83.1
Investments in associate and joint venture	-	79.3	-	79.3	77.8	-	157.1
Intercompany investments	3,306.1	172.3	(2,884.3)	594.1	10,064.1	(10,658.2)	-
Other long-term assets	10.2	138.2	-	148.4	221.8	-	370.2
Long-term intercompany receivables	3,056.2	260.0	(181.7)	3,134.5	5,438.6	(8,573.1)	-
Deferred tax assets	-	7.3	-	7.3	69.2	-	76.5
Total assets	$ 7,147.3	$ 4,909.6	$ (3,269.2)	$ 8,787.7	$ 24,300.3	$ (25,352.6)	$ 7,735.4
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	$ 65.9	$ 137.6	$ -	$ 203.5	$ 176.1	$ -	$ 379.6
Intercompany payables	196.6	593.7	(203.2)	587.1	5,534.2	(6,121.3)	-
Current income tax payable	-	3.0	-	3.0	3.4	-	6.4
Current portion of long-term debt	249.5	-	-	249.5	-	-	249.5
Current portion of provisions	-	25.1	-	25.1	25.2	-	50.3
Current portion of unrealized fair value of derivative liabilities	3.8	10.3	-	14.1	1.9	-	16.0
	515.8	769.7	(203.2)	1,082.3	5,740.8	(6,121.3)	701.8
Non-current liabilities							
Long-term debt	1,731.9	-	-	1,731.9	-	-	1,731.9
Provisions	9.9	467.7	-	477.6	243.2	-	720.8
Other long-term liabilities	-	81.2	-	81.2	67.5	-	148.7
Long-term intercompany payables	1,000.4	437.6	(181.7)	1,256.3	7,316.8	(8,573.1)	-
Deferred tax liabilities	-	269.1	-	269.1	229.9	-	499.0
Total liabilities	3,258.0	2,025.3	(384.9)	4,898.4	13,598.2	(14,694.4)	3,802.2
Equity							
Common shareholders' equity							
Common share capital	$ 14,603.5	$ 1,894.2	$ (1,894.2)	$ 14,603.5	$ 17,964.8	$ (17,964.8)	$ 14,603.5
Contributed surplus	239.2	59.6	(59.6)	239.2	3,237.1	(3,237.1)	239.2
Accumulated deficit	(10,922.1)	947.2	(947.2)	(10,922.1)	(10,525.3)	10,525.3	(10,922.1)
Accumulated other comprehensive income (loss)	(31.3)	(16.7)	16.7	(31.3)	(18.4)	18.4	(31.3)
Total common shareholders' equity	3,889.3	2,884.3	(2,884.3)	3,889.3	10,658.2	(10,658.2)	3,889.3
Non-controlling interest	-	-	-	-	43.9	-	43.9
Total equity	3,889.3	2,884.3	(2,884.3)	3,889.3	10,702.1	(10,658.2)	3,933.2
Total liabilities and equity	$ 7,147.3	$ 4,909.6	$ (3,269.2)	$ 8,787.7	$ 24,300.3	$ (25,352.6)	$ 7,735.4

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

Consolidating statement of operations for the six months ended June 30, 2016

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ 974.0	$ 800.1	$ (821.9)	$ 952.2	$ 706.8	$ -	$ 1,659.0
Cost of sales							
Production cost of sales	963.4	468.6	(823.6)	608.4	356.0	-	964.4
Depreciation, depletion and amortization	3.8	157.6	1.7	163.1	240.3	-	403.4
Impairment charges	-	-	-	-	-	-	-
Total cost of sales	967.2	626.2	(821.9)	771.5	596.3	-	1,367.8
Gross profit	6.8	173.9	-	180.7	110.5	-	291.2
Other operating expense	1.5	19.2	-	20.7	49.3	-	70.0
Exploration and business development	11.8	2.6	-	14.4	24.1	-	38.5
General and administrative	37.3	1.5	-	38.8	31.9	-	70.7
Operating earnings (loss)	(43.8)	150.6	-	106.8	5.2	-	112.0
Other income (expense) - net	(281.8)	(3.4)	-	(285.2)	453.3	(154.9)	13.2
Equity in earnings (losses) of associate, joint ventures and intercompany investments	370.9	-	(170.7)	200.2	0.1	(200.2)	0.1
Finance income	11.2	0.7	-	11.9	45.7	(54.1)	3.5
Finance expense	(46.5)	(12.2)	-	(58.7)	(60.9)	54.1	(65.5)
Earnings (loss) before tax	10.0	135.7	(170.7)	(25.0)	443.4	(355.1)	63.3
Income tax recovery (expense) - net	-	35.0	-	35.0	(91.7)	-	(56.7)
Net earnings (loss)	$ 10.0	$ 170.7	$ (170.7)	$ 10.0	$ 351.7	$ (355.1)	$ 6.6
Net earnings (loss) attributable to:							
Non-controlling interest	$ -	$ -	$ -	$ -	$ (3.4)	$ -	$ (3.4)
Common shareholders	$ 10.0	$ 170.7	$ (170.7)	$ 10.0	$ 355.1	$ (355.1)	$ 10.0

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

Consolidating statement of operations for the six months ended June 30, 2015

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Revenue							
Metal sales	$ 809.6	$ 739.8	$ (734.6)	$ 814.8	$ 721.8	$ -	$ 1,536.6
Cost of sales							
Production cost of sales	796.0	492.4	(733.7)	554.7	358.4	-	913.1
Depreciation, depletion and amortization	2.9	170.4	(0.9)	172.4	250.5	-	422.9
Impairment charges	-	24.5	-	24.5	-	-	24.5
Total cost of sales	798.9	687.3	(734.6)	751.6	608.9	-	1,360.5
Gross profit	10.7	52.5	-	63.2	112.9	-	176.1
Other operating expense	2.8	36.8	-	39.6	25.7	-	65.3
Exploration and business development	10.5	7.4	-	17.9	34.6	-	52.5
General and administrative	54.6	1.6	-	56.2	27.4	-	83.6
Operating earnings (loss)	(57.2)	6.7	-	(50.5)	25.2	-	(25.3)
Other income (expense) - net	(329.8)	(8.7)	-	(338.5)	1,340.2	(1,009.9)	(8.2)
Equity in earnings (losses) of associate, joint venture and intercompany investments	326.5	(114.3)	112.2	324.4	(1.6)	(317.9)	4.9
Finance income	8.0	1.5	(1.1)	8.4	36.5	(40.7)	4.2
Finance expense	(35.0)	(11.7)	1.1	(45.6)	(42.8)	40.7	(47.7)
Earnings (loss) before tax	(87.5)	(126.5)	112.2	(101.8)	1,357.5	(1,327.8)	(72.1)
Income tax recovery (expense) - net	(2.4)	14.3	-	11.9	(31.8)	-	(19.9)
Net earnings (loss)	$ (89.9)	$ (112.2)	$ 112.2	$ (89.9)	$ 1,325.7	$ (1,327.8)	$ (92.0)
Net earnings (loss) attributable to:							
Non-controlling interest	$ -	$ -	$ -	$ -	$ (2.1)	$ -	$ (2.1)
Common shareholders	$ (89.9)	$ (112.2)	$ 112.2	$ (89.9)	$ 1,327.8	$ (1,327.8)	$ (89.9)

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

Consolidating statement of comprehensive income (loss) for the six months ended June 30, 2016

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net earnings (loss)	$ 10.0	$ 170.7	$ (170.7)	$ 10.0	$ 351.7	$ (355.1)	$ 6.6
Other comprehensive income (loss), net of tax:							
Items to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments [(a)]	64.5	-	-	64.5	1.3	-	65.8
Reclassification to earnings for impairment charges	-	-	-	-	-	-	-
Accumulated other comprehensive (income) loss related to investments sold [(b)]	(2.7)	-	-	(2.7)	-	-	(2.7)
Changes in fair value of derivative financial instruments designated as cash flow hedges [(c)]	8.6	14.3	-	22.9	0.3	-	23.2
Accumulated other comprehensive (income) loss related to derivatives settled [(d)]	1.1	2.4	-	3.5	(0.1)	-	3.4
	71.5	16.7	-	88.2	1.5	-	89.7
Equity in other comprehensive income (loss) of intercompany investments	18.2	-	(16.7)	1.5	-	(1.5)	-
Total comprehensive income (loss)	$ 99.7	$ 187.4	$ (187.4)	$ 99.7	$ 353.2	$ (356.6)	$ 96.3
Attributable to non-controlling interest	$ -	$ -	$ -	$ -	$ (3.4)	$ -	$ (3.4)
Attributable to common shareholders	$ 99.7	$ 187.4	$ (187.4)	$ 99.7	$ 356.6	$ (356.6)	$ 99.7
(a) Net of tax of	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Net of tax of	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c) Net of tax of	$ -	$ 6.6	$ -	$ 6.6	$ 0.1	$ -	$ 6.7
(d) Net of tax of	$ -	$ 0.7	$ -	$ 0.7	$ -	$ -	$ 0.7

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

Consolidating statement of comprehensive income (loss) for the six months ended June 30, 2015

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net earnings (loss)	$ (89.9)	$ (112.2)	$ 112.2	$ (89.9)	$ 1,325.7	$ (1,327.8)	$ (92.0)
Other comprehensive income (loss), net of tax:							
Items to be reclassified to profit or loss in subsequent periods:							
Change in fair value of investments [(a)]	(11.4)	(0.1)	-	(11.5)	(0.4)	-	(11.9)
Reclassification to earnings for impairment charges	1.5	-	-	1.5	-	-	1.5
Accumulated other comprehensive (income) loss related to investments sold [(b)]	-	-	-	-	-	-	-
Changes in fair value of derivative financial instruments designated as cash flow hedges [(c)]	1.0	(9.5)	-	(8.5)	0.1	-	(8.4)
Accumulated other comprehensive (income) loss related to derivatives settled [(d)]	8.9	17.2	-	26.1	3.6	-	29.7
	0.0	7.6	-	7.6	3.3	-	10.9
Equity in other comprehensive income (loss) of intercompany investments	10.9	-	(7.6)	3.3	-	(3.3)	-
Total comprehensive income (loss)	$ (79.0)	$ (104.6)	$ 104.6	$ (79.0)	$ 1,329.0	$ (1,331.1)	$ (81.1)
Total comprehensive income (loss)	$ (79.0)	$ (104.6)	$ 104.6	$ (79.0)	$ 1,329.0	$ (1,331.1)	$ (81.1)
Attributable to non-controlling interest	$ -	$ -	$ -	$ -	$ (2.1)	$ -	$ (2.1)
Attributable to common shareholders	$ (79.0)	$ (104.6)	$ 104.6	$ (79.0)	$ 1,331.1	$ (1,331.1)	$ (79.0)
(a) Net of tax of	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(b) Net of tax of	$ -	$ -	$ -	$ -	$ -	$ -	$ -
(c) Net of tax of	$ -	$ (4.6)	$ -	$ (4.6)	$ 0.2	$ -	$ (4.4)
(d) Net of tax of	$ -	$ 7.6	$ -	$ 7.6	$ 1.3	$ -	$ 8.9

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

Consolidating statement of cash flows for the six months ended June 30, 2016

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings (loss)	$ 10.0	$ 170.7	$ (170.7)	$ 10.0	$ 351.7	$ (355.1)	$ 6.6
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	3.8	157.6	1.7	163.1	240.3	-	403.4
Impairment of inventory	-	-	-	-	-	-	-
Equity in losses (earnings) of associate, joint ventures and intercompany investments	(370.9)	-	170.7	(200.2)	(0.1)	200.2	(0.1)
Non-hedge derivative (gains) losses - net	(17.4)	0.1	-	(17.3)	17.7	-	0.4
Share-based compensation expense	7.1	-	-	7.1	-	-	7.1
Finance expense	46.5	12.2	-	58.7	60.9	(54.1)	65.5
Deferred tax expense (recovery)	-	(46.0)	-	(46.0)	(58.0)	-	(104.0)
Foreign exchange losses (gains) and other	301.4	7.4	-	308.8	(292.9)	-	15.9
Changes in operating assets and liabilities:							
Accounts receivable and other assets	(2.9)	(1.7)	-	(4.6)	8.2	-	3.6
Inventories	(0.8)	4.7	(1.7)	2.2	81.7	-	83.9
Accounts payable and accrued liabilities	5.5	3.3	-	8.8	106.2	-	115.0
Cash flow provided from (used in) operating activities	(17.7)	308.3	-	290.6	515.7	(209.0)	597.3
Income taxes recovered (paid)	-	6.2	-	6.2	(73.1)	-	(66.9)
Net cash flow provided from (used in) operating activities	(17.7)	314.5	-	296.8	442.6	(209.0)	530.4
Investing:							
Additions to property, plant and equipment	(2.8)	(79.6)	-	(82.4)	(171.1)	-	(253.5)
Business acquisitions	-	-	-	-	(588.0)	-	(588.0)
Net proceeds from (additions to) long-term investments and other assets	3.3	(12.3)	-	(9.0)	(11.1)	-	(20.1)
Net proceeds from the sale of property, plant and equipment	-	-	-	-	6.9	-	6.9
Decrease (increase) in restricted cash	-	(1.4)	-	(1.4)	0.5	-	(0.9)
Interest received and other	0.3	0.7	-	1.0	0.5	-	1.5
Net cash flow provided (used in) investing activities	0.8	(92.6)	-	(91.8)	(762.3)	-	(854.1)
Financing:							
Issuance of common shares on exercise of options	1.0	-	-	1.0	-	-	1.0
Proceeds from issuance of equity	275.7	-	-	275.7	-	-	275.7
Proceeds from issuance of debt	-	-	-	-	-	-	-
Repayment of debt	-	-	-	-	-	-	-
Interest paid	(33.2)	-	-	(33.2)	-	-	(33.2)
Dividends received from (paid to) common shareholders and subsidiaries	-	-	-	-	(154.9)	154.9	-
Intercompany advances	(156.2)	(262.3)	-	(418.5)	364.4	54.1	-
Other	-	-	-	-	-	-	-
Net cash flow provided from (used in) financing activities	87.3	(262.3)	-	(175.0)	209.5	209.0	243.5
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-	4.5	-	4.5
Increase (decrease) in cash and cash equivalents	70.4	(40.4)	-	30.0	(105.7)	-	(75.7)
Cash and cash equivalents, beginning of period	113.8	171.0	-	284.8	759.1	-	1,043.9
Cash and cash equivalents, end of period	$ 184.2	$ 130.6	$ -	$ 314.8	$ 653.4	$ -	$ 968.2

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

Consolidating statement of cash flows for the six months ended June 30, 2015

	Guarantors						
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors	Non-guarantors	Eliminations	Consolidated
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings (loss)	$ (89.9)	$ (112.2)	$ 112.2	$ (89.9)	$ 1,325.7	$ (1,327.8)	$ (92.0)
Adjustments to reconcile net earnings (loss) to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	2.9	170.4	(0.9)	172.4	250.5	-	422.9
Impairment of inventory	-	24.5	-	24.5	-	-	24.5
Equity in losses (earnings) of associate, joint venture and intercompany investments	(326.5)	114.3	(112.2)	(324.4)	1.6	317.9	(4.9)
Non-hedge derivative losses - net	(42.2)	(0.3)	-	(42.5)	41.7	-	(0.8)
Share-based compensation expense	8.9	-	-	8.9	-	-	8.9
Finance expense	35.0	11.7	(1.1)	45.6	42.8	(40.7)	47.7
Deferred tax expense (recovery)	-	10.3	-	10.3	(27.4)	-	(17.1)
Foreign exchange losses (gains) and other	376.5	2.7	-	379.2	(392.2)	-	(13.0)
Changes in operating assets and liabilities:							
Accounts receivable and other assets	2.5	18.5	-	21.0	(10.0)	-	11.0
Inventories	(3.3)	18.6	0.9	16.2	71.0	-	87.2
Accounts payable and accrued liabilities	(19.5)	(32.4)	-	(51.9)	52.3	-	0.4
Cash flow provided from (used in) operating activities	(55.6)	226.1	(1.1)	169.4	1,356.0	(1,050.6)	474.8
Income taxes paid	-	20.1	-	20.1	(77.6)	-	(57.5)
Net cash flow provided from (used in) operating activities	(55.6)	246.2	(1.1)	189.5	1,278.4	(1,050.6)	417.3
Investing:							
Additions to property, plant and equipment	(11.8)	(157.1)	-	(168.9)	(109.1)	-	(278.0)
Net proceeds from (additions to) long-term investments and other assets	(0.3)	(14.1)	-	(14.4)	(27.3)	-	(41.7)
Net proceeds from the sale of property, plant and equipment	1.0	0.4	-	1.4	1.5	-	2.9
Decrease (increase) in restricted cash	-	(0.2)	-	(0.2)	3.0	-	2.8
Interest received and other	0.1	1.5	-	1.6	0.5	-	2.1
Net cash flow used in investing activities	(11.0)	(169.5)	-	(180.5)	(131.4)	-	(311.9)
Financing:							
Issuance of common shares on exercise of options	-	-	-	-	-	-	-
Proceeds from issuance of debt	-	22.5	-	22.5	-	-	22.5
Repayment of debt	-	(22.5)	-	(22.5)	(30.0)	-	(52.5)
Interest paid	(22.7)	-	-	(22.7)	(0.8)	-	(23.5)
Dividends received from (paid to) common shareholders and subsidiaries	-	-	-	-	(1,009.9)	1,009.9	-
Intercompany advances	(56.7)	(33.0)	1.1	(88.6)	47.9	40.7	-
Other	(1.0)	-	-	(1.0)	-	-	(1.0)
Net cash flow provided from (used in) financing activities	(80.4)	(33.0)	1.1	(112.3)	(992.8)	1,050.6	(54.5)
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-	(3.0)	-	(3.0)
Increase (decrease) in cash and cash equivalents	(147.0)	43.7	-	(103.3)	151.2	-	47.9
Cash and cash equivalents, beginning of period	315.1	131.0	-	446.1	537.4	-	983.5
Cash and cash equivalents, end of period	$ 168.1	$ 174.7	$ -	$ 342.8	$ 688.6	$ -	$ 1,031.4