

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

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

		As at	
		September 30, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents	Note 5	\$ 1,339.7	\$ 1,766.0
Restricted cash	Note 5	61.1	62.1
Short-term investments	Note 5	749.6	1.3
Accounts receivable and other assets	Note 5	327.7	309.4
Inventories	Note 5	1,123.3	976.2
Unrealized fair value of derivative assets	Note 6	17.1	2.8
		3,618.5	3,117.8
Non-current assets			
Property, plant and equipment	Note 5	9,874.0	8,959.4
Goodwill	Note 5	3,382.3	3,420.3
Long-term investments	Note 5	75.7	79.4
Investments in associates		514.5	502.5
Unrealized fair value of derivative assets	Note 6	12.4	1.1
Deferred charges and other long-term assets	Note 5	482.3	406.4
Deferred tax assets		33.3	21.9
Total assets		\$ 17,993.0	\$ 16,508.8
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	Note 5	\$ 591.5	\$ 575.3
Current tax payable		78.3	82.9
Current portion of long-term debt	Note 8	512.0	32.7
Current portion of provisions	Note 9	33.2	38.1
Current portion of unrealized fair value of derivative liabilities	Note 6	33.6	66.7
		1,248.6	795.7
Non-current liabilities			
Long-term debt	Note 8	2,117.5	1,600.4
Provisions	Note 9	591.2	597.1
Unrealized fair value of derivative liabilities	Note 6	18.3	32.7
Other long-term liabilities		134.2	133.1
Deferred tax liabilities		970.7	879.1
Total liabilities		5,080.5	4,038.1
Equity			
Common shareholders' equity			
Common share capital and common share purchase warrants	Note 10	\$ 14,686.0	\$ 14,656.6
Contributed surplus		85.4	81.4
Accumulated deficit		(1,948.0)	(2,249.9)
Accumulated other comprehensive income (loss)	Note 5	16.1	(97.7)
Total common shareholders' equity		12,839.5	12,390.4
Non-controlling interest		73.0	80.3
Total equity		12,912.5	12,470.7
Commitments and contingencies	Note 15		
Total liabilities and equity		\$ 17,993.0	\$ 16,508.8
Common shares			
Authorized		Unlimited	Unlimited
Issued and outstanding		1,139,703,976	1,137,732,344

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		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2012	2011	2012	2011
	Note 4		Note 4	
Revenue				
Metal sales	\$ 1,109.7	\$ 1,041.0	\$ 3,124.5	\$ 2,922.7
Cost of sales				
Production cost of sales	455.7	410.2	1,373.2	1,170.7
Depreciation, depletion and amortization	181.6	139.7	481.3	436.7
Total cost of sales	637.3	549.9	1,854.5	1,607.4
Gross profit	472.4	491.1	1,270.0	1,315.3
Other operating costs	20.1	8.6	42.4	21.6
Exploration and business development	56.9	37.5	186.8	87.4
General and administrative	52.3	36.2	136.0	119.6
Operating earnings	343.1	408.8	904.8	1,086.7
Other income (expense) - net	Note 5 (2.7)	(9.1)	(18.9)	96.0
Equity in losses of associates	Note 5 (1.8)	(1.4)	(4.7)	(1.4)
Finance income	1.5	1.7	3.6	5.4
Finance expense	Note 5 (13.4)	(22.9)	(32.2)	(55.2)
Earnings before taxes	326.7	377.1	852.6	1,131.5
Income tax expense - net	Note 13 (100.5)	(167.2)	(419.6)	(376.3)
Earnings from continuing operations after tax	226.2	209.9	433.0	755.2
Earnings from discontinued operations after tax	Note 4 -	5.5	43.9	12.5
Net earnings	\$ 226.2	\$ 215.4	\$ 476.9	\$ 767.7
Net earnings from continuing operations attributable to:				
Non-controlling interest	\$ 1.3	\$ 2.8	\$ (7.3)	\$ 57.6
Common shareholders	\$ 224.9	\$ 207.1	\$ 440.3	\$ 697.6
Net earnings attributable to:				
Non-controlling interest	\$ 1.3	\$ 2.8	\$ (7.3)	\$ 57.6
Common shareholders	\$ 224.9	\$ 212.6	\$ 484.2	\$ 710.1
Earnings per share from continuing operations attributable to common shareholders				
Basic	\$ 0.20	\$ 0.18	\$ 0.39	\$ 0.61
Diluted	\$ 0.20	\$ 0.18	\$ 0.38	\$ 0.61
Net earnings per share attributable to common shareholders				
Basic	\$ 0.20	\$ 0.19	\$ 0.43	\$ 0.63
Diluted	\$ 0.20	\$ 0.19	\$ 0.42	\$ 0.62
Weighted average number of common shares outstanding (millions)	Note 12			
Basic	1,139.4	1,136.7	1,138.8	1,135.5
Diluted	1,145.6	1,142.4	1,145.0	1,141.3

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

KINROSS GOLD CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited expressed in millions of United States dollars)

	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2012	2011	2012	2011
		Note 4		Note 4
Net earnings	\$ 226.2	\$ 215.4	\$ 476.9	\$ 767.7
Other comprehensive income (loss), net of tax:	<i>Note 5</i>			
Change in fair value of investments ^(a)	13.6	(27.1)	(0.8)	(36.3)
Reclassification to earnings for impairment charges	-	-	20.2	-
Accumulated other comprehensive income related to investments sold ^(b)	-	-	(0.1)	(30.0)
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(c)	33.8	(109.5)	34.5	(79.5)
Accumulated other comprehensive income related to derivatives settled ^(d)	5.0	53.1	60.0	157.6
	52.4	(83.5)	113.8	11.8
Total comprehensive income	\$ 278.6	\$ 131.9	\$ 590.7	\$ 779.5
Comprehensive income from continuing operations	\$ 278.6	\$ 126.4	\$ 546.8	\$ 767.0
Comprehensive income from discontinued operations	-	5.5	43.9	12.5
Comprehensive income	\$ 278.6	\$ 131.9	\$ 590.7	\$ 779.5
Attributable to non-controlling interest	\$ 1.3	\$ 2.8	\$ (7.3)	\$ 57.6
Attributable to common shareholders	\$ 277.3	\$ 129.1	\$ 598.0	\$ 721.9

(a) Net of tax of \$1.5 million, 3 months; \$(0.7) million, 9 months (2011 - \$(3.5) million, 3 months; \$(3.7) million, 9 months)

(b) Net of tax of \$nil, 3 months; \$nil, 9 months (2011 - \$nil, 3 months; \$nil, 9 months)

(c) Net of tax of \$6.8 million, 3 months; \$4.1 million, 9 months (2011 - \$(36.1) million, 3 months; \$(19.8) million, 9 months)

(d) Net of tax of \$3.0 million, 3 months; \$6.6 million, 9 months (2011 - \$(4.7) million, 3 months; \$(10.8) million, 9 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		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
		Note 4		Note 4
Net inflow (outflow) of cash related to the following activities:				
Operating:				
Net earnings from continuing operations	\$ 226.2	\$ 209.9	\$ 433.0	\$ 755.2
Adjustments to reconcile net earnings from continuing operations to net cash provided from (used in) operating activities:				
Depreciation, depletion and amortization	181.6	139.7	481.3	436.7
(Gains) losses on acquisition/disposition of assets and investments - net	0.2	(0.3)	0.7	(31.7)
Equity in losses of associates	1.8	1.4	4.7	1.4
Non-hedge derivative (gains) losses - net	7.1	3.4	(6.4)	(44.7)
Settlement of derivative instruments	(0.2)	(112.8)	48.5	(112.8)
Share-based compensation expense	9.9	8.8	28.8	27.2
Accretion expense	9.0	13.9	19.7	40.4
Deferred tax expense	1.9	33.3	85.4	21.2
Foreign exchange (gains) losses and other	(3.1)	2.8	(21.4)	2.7
Changes in operating assets and liabilities:				
Accounts receivable and other assets	30.6	26.1	(54.8)	(141.8)
Inventories	(110.0)	(93.9)	(158.6)	(96.4)
Accounts payable and accrued liabilities	100.2	136.3	240.3	381.3
Cash flow provided from operating activities	455.2	368.6	1,101.2	1,238.7
Income taxes paid	(86.4)	(79.6)	(278.5)	(262.5)
Net cash flow of continuing operations provided from operating activities	368.8	289.0	822.7	976.2
Net cash flow of discontinued operations provided from (used in) operating activities	(62.4)	13.4	(47.6)	22.6
Investing:				
Additions to property, plant and equipment	(451.2)	(389.6)	(1,412.6)	(1,051.3)
Net proceeds from the sale of long-term investments and other assets	-	-	0.2	101.1
Additions to long-term investments and other assets	(5.4)	(48.1)	(18.1)	(124.6)
Net proceeds from the sale of property, plant and equipment	0.2	1.0	0.4	1.8
Additions to short-term investments	(749.6)	(0.5)	(748.3)	(1.8)
Note received from Harry Winston	-	70.0	-	70.0
Decrease in restricted cash	(6.3)	(11.9)	(5.0)	(15.8)
Interest received	1.2	4.5	3.3	6.4
Other	0.1	(0.2)	0.2	(3.2)
Net cash flow of continuing operations used in investing activities	(1,211.0)	(374.8)	(2,179.9)	(1,017.4)
Net cash flow of discontinued operations provided from (used in) investing activities	-	(4.2)	198.9	(20.9)
Financing:				
Issuance of common shares on exercise of options and warrants	1.2	11.9	4.7	26.8
Acquisition of CMGC 25% non-controlling interest	-	-	-	(335.4)
Proceeds from issuance of debt	1,140.8	1,136.5	1,437.1	1,329.1
Repayment of debt	(145.0)	(167.0)	(467.5)	(382.6)
Interest paid	(1.7)	(4.6)	(6.5)	(9.7)
Dividends paid to common shareholders	(91.2)	(68.0)	(182.3)	(124.8)
Settlement of derivative instruments	-	(23.9)	-	(43.6)
Other	(4.2)	(0.5)	(5.0)	(6.2)
Net cash flow of continuing operations provided from financing activities	899.9	884.4	780.5	453.6
Net cash flow of discontinued operations used in financing activities	-	(1.2)	(0.6)	(2.6)
Effect of exchange rate changes on cash and cash equivalents of continuing operations	4.1	(12.3)	(0.3)	(3.5)
Increase (decrease) in cash and cash equivalents	(0.6)	794.3	(426.3)	408.0
Cash and cash equivalents, beginning of period	1,340.3	1,080.3	1,766.0	1,466.6
Cash and cash equivalents, end of period	\$ 1,339.7	\$ 1,874.6	\$ 1,339.7	\$ 1,874.6

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		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Common share capital and common share purchase warrants				
Balance beginning of period	\$ 14,680.6	\$ 14,627.6	\$ 14,656.6	\$ 14,576.4
Common shares issued on acquisition of properties	-	-	-	3.8
Common shares issued under employee share purchase plans	1.8	1.6	5.4	4.7
Transfer from contributed surplus on exercise of options and restricted shares	3.6	10.3	22.9	41.7
Options and warrants exercised, including cash	-	11.0	1.1	23.9
Balance at the end of the period	\$ 14,686.0	\$ 14,650.5	\$ 14,686.0	\$ 14,650.5
Contributed surplus				
Balance beginning of period	\$ 79.8	\$ 78.5	\$ 81.4	\$ 185.5
Share-based compensation	9.2	8.6	26.9	25.9
Acquisition of CMGC 25% non-controlling interest	-	-	-	(92.9)
Transfer of fair value of exercised options and restricted shares	(3.6)	(10.3)	(22.9)	(41.7)
Balance at the end of the period	\$ 85.4	\$ 76.8	\$ 85.4	\$ 76.8
Retained earnings (accumulated deficit)				
Balance beginning of period	\$ (2,081.7)	\$ 389.2	\$ (2,249.9)	\$ (51.5)
Dividends paid	(91.2)	(68.0)	(182.3)	(124.8)
Net earnings attributable to common shareholders	224.9	212.6	484.2	710.1
Balance at the end of the period	\$ (1,948.0)	\$ 533.8	\$ (1,948.0)	\$ 533.8
Accumulated other comprehensive income (loss)				
Balance beginning of period	\$ (36.3)	\$ (84.0)	\$ (97.7)	\$ (179.3)
Other comprehensive income (loss)	52.4	(83.5)	113.8	11.8
Balance at the end of the period	\$ 16.1	\$ (167.5)	\$ 16.1	\$ (167.5)
Total retained earnings (accumulated deficit) and accumulated other comprehensive income (loss)	\$ (1,931.9)	\$ 366.3	\$ (1,931.9)	\$ 366.3
Total common shareholders' equity	\$ 12,839.5	\$ 15,093.6	\$ 12,839.5	\$ 15,093.6
Non-controlling interest				
Balance beginning of period	\$ 71.7	\$ 74.5	\$ 80.3	\$ 262.2
Net earnings (loss) attributable to non-controlling interest	1.3	2.8	(7.3)	57.6
Acquisition of CMGC 25% non-controlling interest	-	-	-	(242.5)
Balance at end of the period	\$ 73.0	\$ 77.3	\$ 73.0	\$ 77.3
Total Equity	\$ 12,912.5	\$ 15,170.9	\$ 12,912.5	\$ 15,170.9

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

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

Kinross Gold Corporation and its subsidiaries and joint ventures (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 a 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, Ecuador, 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 September 30, 2012 were authorized for issue in accordance with a resolution of the directors on November 7, 2012.

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, 2011. There have been no changes from the accounting policies applied in the December 31, 2011 financial statements, except as disclosed in Note 3.

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, 2011 prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of these interim financial statements requires the use of certain significant accounting estimates and judgment by management in applying the Company's accounting policies. The areas involving significant judgment and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2011.

3. ACCOUNTING CHANGES

The Company's policies in effect for 2012 are noted in the Company's annual audited consolidated financial statements for the year ended December 31, 2011, with the exception of the following accounting policy adopted in 2012:

Financial instruments

IFRS 7 "Financial instruments – Disclosures" ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendments introduce new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety but for which continuing involvement is retained.

The amendments to IFRS 7 were effective for the Company beginning on January 1, 2012. There was no impact on the Company's financial statements upon adoption of the amendments of IFRS 7.

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

4. DISPOSITION OF INTEREST IN CRIXÁS GOLD MINE

On June 28, 2012, the Company completed the sale of its 50% interest in the Crixás gold mine (Serra Grande) to a subsidiary of AngloGold Ashanti Ltd. for gross cash proceeds of \$220.0 million, resulting in an after-tax gain on disposal of \$33.8 million. AngloGold Ashanti Ltd. previously owned the remaining 50% of the Crixás gold mine and is the operator of the mine.

As Crixás was an operating segment of the Company, clearly distinguished operationally and for financial reporting purposes from the rest of the Company, the disposal was considered a discontinued operation. Results, including the gain on disposal, and cash flows of the discontinued operation have been presented separately in the interim condensed consolidated statements of operations and cash flows, and comparative periods have been recast accordingly.

Earnings from discontinued operations

	Three months ended		Nine months ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Results of discontinued operations				
Revenues	\$ -	\$ 28.2	\$ 53.7	\$ 71.3
Expenses	-	18.5	37.2	50.9
Earnings before taxes	-	9.7	16.5	20.4
Income tax expense	-	(4.2)	(6.4)	(7.9)
Net earnings before disposals	-	5.5	10.1	12.5
Gain on sale of discontinued operations	-	-	96.2	-
Income tax on sale of discontinued operations	-	-	(62.4)	-
Earnings from discontinued operations after tax	\$ -	\$ 5.5	\$ 43.9	\$ 12.5

The Company's interest in the significant assets and liabilities of the Crixás mine at the date of disposal was as follows:

	June 28, 2012
Cash and cash equivalents	\$ 12.2
Accounts receivable and other assets	17.2
Inventories	9.8
Property, plant and equipment	93.7
Goodwill	38.0
Deferred charges and other long-term assets	2.9
Accounts payable and accrued liabilities	(9.9)
Current tax payable	(25.8)
Other long-term liabilities	(14.3)
Net assets	\$ 123.8
Consideration received, satisfied in cash	\$ 220.0
Cash and cash equivalents disposed of	(12.2)
Net cash inflow	\$ 207.8

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

5. INTERIM CONSOLIDATED FINANCIAL STATEMENT DETAILS

Interim Consolidated Balance Sheets

i. Cash and cash equivalents:

	September 30, 2012	December 31, 2011
Cash on hand and balances with banks	\$ 610.7	\$ 761.3
Short-term deposits	729.0	1,004.7
	\$ 1,339.7	\$ 1,766.0

Restricted cash:

	September 30, 2012	December 31, 2011
Restricted cash ^(a)	\$ 61.1	\$ 62.1

(a) Restricted cash relates to restricted payments for the Kupol loan (see Note 8 (iv)), loan escrow judicial deposits and letters of guarantee for default protection and environmental indemnity.

ii. Short-term investments

	September 30, 2012	December 31, 2011
Short-term investments ^(a)	\$ 749.6	\$ 1.3

(a) Short-term investments at September 30, 2012, include short-term Canadian government, US government and money market instruments.

iii. Accounts receivable and other assets:

	September 30, 2012	December 31, 2011
Trade receivables	\$ 9.5	\$ 20.2
Taxes recoverable	58.8	70.0
Prepaid expenses	114.6	48.8
VAT receivable	104.8	115.3
Other	40.0	55.1
	\$ 327.7	\$ 309.4

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

iv. Inventories:

	September 30, 2012	December 31, 2011
Ore in stockpiles ^(a)	\$ 170.0	\$ 146.6
Ore on leach pads ^(b)	314.1	220.8
In-process	42.3	35.3
Finished metal	100.3	108.3
Materials and supplies	592.0	562.2
	1,218.7	1,073.2
Long-term portion of ore in stockpiles and ore on leach pads ^{(a),(b)}	(95.4)	(97.0)
	\$ 1,123.3	\$ 976.2

(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 deferred charges and other long-term assets on the interim condensed consolidated balance sheet. See deferred charges and other long-term assets, Note 5 (viii).

(b) Ore on leach pads relates to the Company's Maricunga, Tasiast, Fort Knox, and 50% owned Round Mountain mines. Based on current mine plans, the Company expects to place the last tonne of ore on its leach pads at Maricunga in 2027, Tasiast in 2020, Fort Knox in 2020, and 50% owned Round Mountain in 2019. Ore on leach pads includes material not scheduled for processing within the next twelve months which is included in deferred charges and other long-term assets on the interim condensed consolidated balance sheet. See deferred charges and other long-term assets, Note 5 (viii).

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

v. Property, plant and equipment:

	Mineral Interests ^(b)			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2012	\$ 4,234.2	\$ 7,389.7	\$ 170.0	\$ 11,793.9
Additions	1,079.5	367.2	-	1,446.7
Capitalized interest	46.0	25.7	-	71.7
Disposals ^(c)	(81.9)	(104.6)	-	(186.5)
Other	28.0	(31.1)	-	(3.1)
Balance at September 30, 2012	\$ 5,305.8	\$ 7,646.9	\$ 170.0	\$ 13,122.7
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2012	\$ (1,518.1)	\$ (1,316.4)	\$ -	\$ (2,834.5)
Depreciation, depletion and amortization	(227.5)	(280.2)	-	(507.7)
Disposals ^(c)	41.0	50.5	-	91.5
Other	(4.0)	6.0	-	2.0
Balance at September 30, 2012	\$ (1,708.6)	\$ (1,540.1)	\$ -	\$ (3,248.7)
Net book value	\$ 3,597.2	\$ 6,106.8	\$ 170.0	\$ 9,874.0
Amount included above as at September 30, 2012:				
Assets under construction	\$ 1,409.0	\$ 500.5	\$ -	\$ 1,909.5
Net book value of finance leases	\$ 21.6	\$ -	\$ -	\$ 21.6
Assets not being depreciated ^(a)	\$ 1,725.8	\$ 2,561.3	\$ 170.0	\$ 4,457.1

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

(b) At September 30, 2012, the significant development and operating properties include Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Kupol, Dvoinoye, Kettle River-Buckhorn, Tasiast, Chirano, Fruta del Norte, and Lobo-Marte. Included in pre-development properties is White Gold.

(c) On June 28, 2012, the Company disposed of its interest in Crixás. See Note 4.

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

	Mineral Interests ^(b)			
	Land, plant and equipment	Development and operating properties	Pre-development properties	Total
Cost				
Balance at January 1, 2011	\$ 3,236.3	\$ 6,426.5	\$ 527.5	\$ 10,190.3
Additions	1,052.3	586.6	11.9	1,650.8
Acquisitions	-	-	3.8	3.8
Capitalized interest	7.3	19.2	-	26.5
Disposals	(64.2)	(8.7)	(0.4)	(73.3)
Transfers	-	369.6	(369.6)	-
Other	2.5	(3.5)	(3.2)	(4.2)
Balance at December 31, 2011	4,234.2	7,389.7	170.0	11,793.9
Accumulated depreciation, depletion, amortization and impairment				
Balance at January 1, 2011	\$ (1,315.2)	\$ (990.5)	\$ -	\$ (2,305.7)
Depreciation, depletion and amortization	(257.9)	(330.3)	-	(588.2)
Disposals	55.3	10.5	-	65.8
Other	(0.3)	(6.1)	-	(6.4)
Balance at December 31, 2011	(1,518.1)	(1,316.4)	-	(2,834.5)
Net book value	\$ 2,716.1	\$ 6,073.3	\$ 170.0	\$ 8,959.4
Amount included above as at December 31, 2011:				
Assets under construction	\$ 1,012.6	\$ 549.7	\$ -	\$ 1,562.3
Net book value of finance leases	\$ 12.8	\$ -	\$ -	\$ 12.8
Assets not being depreciated ^(a)	\$ 1,118.6	\$ 2,379.6	\$ 170.0	\$ 3,668.2

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

(b) At December 31, 2011, the significant development and operating properties included Fort Knox, Round Mountain, Paracatu, La Coipa, Maricunga, Crixás, Kupol, Dvoinoye, Kettle River-Buckhorn, Tasiast, Chirano, Fruta del Norte, and Lobo-Marte. Included in pre-development properties is White Gold. Dvoinoye was transferred from pre-development properties to development and operating properties upon the declaration of proven and probable reserves as at the end of 2011.

Land, plant and equipment with a carrying amount of \$208.7 million (December 31, 2011 - \$231.3 million) are pledged as security as part of the Kupol loan. See Note 8 (iv).

Capitalized interest relates to capital expenditures at Fort Knox, Kettle River-Buckhorn, Round Mountain, Maricunga, La Coipa, Lobo-Marte, Fruta del Norte, Paracatu, Kupol, Chirano and Tasiast and had a weighted average rate of 1.4% and 4.6% during the three and nine months ended September 30, 2012, respectively (three and nine months ended September 30, 2011 - 1.8% and 6.2%, respectively).

At September 30, 2012, \$943.0 million of exploration and evaluation ("E&E") assets were included in mineral interests (December 31, 2011 - \$923.9 million). During the nine months ended September 30, 2012, the Company acquired \$nil of E&E assets, capitalized \$19.1 million in E&E costs and transferred \$nil from E&E assets to capitalized development. The Company did not recognize any property, plant and equipment impairment related to E&E assets as at September 30, 2012 (December 31, 2011 - \$nil).

During the three and nine months ended September 30, 2012, the Company expensed \$8.6 million and \$14.8 million (three and nine months ended September 30, 2011 - \$6.2 million and \$12.6 million), respectively, of exploration and evaluation expenditures. The Company had cash expenditures for exploration and evaluation included in operating cash flows for the three and nine months ended September 30, 2012 of \$8.6 million and \$14.8 million (three and nine months

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ended September 30, 2011 – \$6.2 million and \$12.6 million), respectively, and investing cash flows for the three and nine months ended September 30, 2012 of \$10.7 million and \$19.1 million (three and nine months ended September 30, 2011 – \$24.1 million and \$70.3 million), respectively.

The following table shows capitalized stripping costs included in development and operating properties for the nine months ended September 30, 2012 and year ended December 31, 2011:

	September 30, 2012						
	Round Mountain	Fort Knox	La Coipa	Maricunga	Chirano	Tasiast	Total
Balance at January 1, 2012	\$ 74.4	\$ 97.2	\$ 47.5	\$ 54.1	\$ 13.0	\$ 37.7	\$ 323.9
Additions	23.5	35.8	26.6	22.0	14.7	84.9	207.5
Amortization	(7.9)	(16.7)	(9.4)	(2.1)	(9.8)	(1.1)	(47.0)
Balance at September 30, 2012	\$ 90.0	\$ 116.3	\$ 64.7	\$ 74.0	\$ 17.9	\$ 121.5	\$ 484.4

	December 31, 2011						
	Round Mountain	Fort Knox	La Coipa	Maricunga	Chirano	Tasiast	Total
Balance at January 1, 2011	\$ 78.2	\$ 58.9	\$ -	\$ 5.8	\$ 2.4	\$ -	\$ 145.3
Additions	11.1	49.8	48.7	49.7	14.5	38.0	211.8
Amortization	(14.9)	(11.5)	(1.2)	(1.4)	(3.9)	(0.3)	(33.2)
Balance at December 31, 2011	\$ 74.4	\$ 97.2	\$ 47.5	\$ 54.1	\$ 13.0	\$ 37.7	\$ 323.9

vi. Goodwill:

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

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás ^(c)	Tasiast	Chirano	Other Operations ^(b)	Total
	Cost										
Balance at January 1, 2012	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 80.5	\$ 4,620.4	\$ 918.6	\$ 282.2	\$ 7,647.0
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(80.5)	-	-	-	(80.5)
Balance at September 30, 2012	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ -	\$ 4,620.4	\$ 918.6	\$ 282.2	\$ 7,566.5
Accumulated impairment											
Balance at January 1, 2012	\$ (87.2)	\$ (99.4)	\$ (65.9)	\$ -	\$ (668.4)	\$ (220.2)	\$ (42.5)	\$ (2,490.1)	\$ (447.5)	\$ (105.5)	\$ (4,226.7)
Impairment loss	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	42.5	-	-	-	42.5
Balance at September 30, 2012	\$ (87.2)	\$ (99.4)	\$ (65.9)	\$ -	\$ (668.4)	\$ (220.2)	\$ -	\$ (2,490.1)	\$ (447.5)	\$ (105.5)	\$ (4,184.2)
Carrying amount	\$ 58.7	\$ 65.5	\$ 124.4	\$ 20.9	\$ 158.8	\$ 175.9	\$ -	\$ 2,130.3	\$ 471.1	\$ 176.7	\$ 3,382.3

	Round Mountain	Paracatu	La Coipa	Kettle River - Buckhorn	Kupol	Maricunga	Crixás	Tasiast	Chirano	Other Operations ^(b)	Total
	Cost										
Balance at January 1, 2011	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 80.5	\$ 4,620.4	\$ 918.6	\$ 282.2	\$ 7,647.0
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2011	\$ 145.9	\$ 164.9	\$ 190.3	\$ 20.9	\$ 827.2	\$ 396.1	\$ 80.5	\$ 4,620.4	\$ 918.6	\$ 282.2	\$ 7,647.0
Accumulated impairment											
Balance at January 1, 2011	\$ (87.2)	\$ (99.4)	\$ (65.9)	\$ -	\$ (668.4)	\$ (220.2)	\$ (42.5)	\$ -	\$ -	\$ (105.5)	\$ (1,289.1)
Impairment loss ^(a)	-	-	-	-	-	-	-	(2,490.1)	(447.5)	-	(2,937.6)
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2011	\$ (87.2)	\$ (99.4)	\$ (65.9)	\$ -	\$ (668.4)	\$ (220.2)	\$ (42.5)	\$ (2,490.1)	\$ (447.5)	\$ (105.5)	\$ (4,226.7)
Carrying amount	\$ 58.7	\$ 65.5	\$ 124.4	\$ 20.9	\$ 158.8	\$ 175.9	\$ 38.0	\$ 2,130.3	\$ 471.1	\$ 176.7	\$ 3,420.3

- At December 31, 2011, as part of the annual impairment test for goodwill, it was determined that the carrying amounts of goodwill at Tasiast and Chirano exceeded their recoverable amounts.
- At September 30, 2012 and December 31, 2011, other operations includes goodwill related to Quebrada Seca with a carrying amount of \$168.8 million and Jiboia with a carrying amount of \$7.9 million.
- On June 28, 2012, the Company disposed of its interest in Crixás. As a result, goodwill was reduced by \$38.0 million which represents the carrying amount of goodwill previously allocated to Crixás. See Note 4.

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vii. Long-term investments:

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

	September 30, 2012		December 31, 2011	
	Fair value	Gains (losses) in AOCI	Fair value	Gains (losses) in AOCI
Securities in an unrealized gain position	\$ 52.1	\$ 24.4	\$ 46.5	\$ 26.9
Securities in an unrealized loss position	23.6	(1.1)	32.9	(22.9)
	<u>\$ 75.7</u>	<u>\$ 23.3</u>	<u>\$ 79.4</u>	<u>\$ 4.0</u>

viii. Deferred charges and other long-term assets:

	September 30, 2012	December 31, 2011
Long-term portion of ore in stockpiles and ore on leach pads ^(a)	\$ 95.4	\$ 97.0
Deferred charges, net of amortization	8.1	7.3
Long-term receivables	152.8	97.4
Advances for the purchase of capital equipment	183.6	178.2
Other	42.4	26.5
	<u>\$ 482.3</u>	<u>\$ 406.4</u>

(a) Ore in stockpiles and on leach pads represents low-grade material not scheduled for processing within the next twelve months. Long-term ore in stockpiles is at the Company's Fort Knox, Kupol, Tasiast and Paracatu mines. Long-term ore on leach pads is at the Company's 50% owned Round Mountain mine.

ix. Accounts payable and accrued liabilities:

	September 30, 2012	December 31, 2011
Trade payables	\$ 113.8	\$ 151.0
Accrued liabilities	388.6	353.3
Employee related accrued liabilities	89.1	71.0
	<u>\$ 591.5</u>	<u>\$ 575.3</u>

x. Accumulated other comprehensive income (loss):

	Investments ^(a)	Financial derivatives ^(b)	Total
Balance at January 1, 2011	\$ 71.1	\$ (250.4)	\$ (179.3)
Other comprehensive income (loss) before tax	(71.3)	118.7	47.4
Tax	4.2	30.0	34.2
Balance at January 1, 2012	\$ 4.0	\$ (101.7)	\$ (97.7)
Other comprehensive income before tax	18.6	105.2	123.8
Tax	0.7	(10.7)	(10.0)
Balance at September 30, 2012	<u>\$ 23.3</u>	<u>\$ (7.2)</u>	<u>\$ 16.1</u>

(a) Balance at January 1, 2011 net of tax of \$4.0 million

(b) Balance at January 1, 2011 net of tax of \$(0.3) million

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xi. Other income (expense) – net:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Gains (losses) on acquisition/disposition of investments - net:				
Harry Winston ^(a)	\$ -	\$ -	\$ -	\$ 30.9
Other investments	-	-	0.1	(0.9)
Gains (losses) on sale of other assets - net	(0.2)	0.3	(0.8)	1.7
Gains (losses) on acquisition/disposition of assets and investments - net	\$ (0.2)	\$ 0.3	\$ (0.7)	\$ 31.7
Impairment of investments ^(b)	-	-	(20.2)	-
Foreign exchange gains (losses)	3.5	(9.1)	(2.7)	12.8
Net non-hedge derivative gains (losses)	(7.1)	(3.4)	6.4	44.7
Other income (expense)	1.1	3.1	(1.7)	6.8
	\$ (2.7)	\$ (9.1)	\$ (18.9)	\$ 96.0

(a) On March 23, 2011, the Company sold its remaining interest in Harry Winston.

(b) At June 30, 2012, the Company wrote-down certain of its available-for-sale investments.

xii. Equity in losses of associates:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Cerro Casale ^(a)	\$ (1.8)	\$ (1.4)	\$ (4.7)	\$ (1.4)

(a) The Company holds a 25% interest in Cerro Casale and the investment is accounted for under the equity method.

xiii. Finance expense:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Accretion on reclamation and remediation obligation	\$ 4.4	\$ 5.1	\$ 13.1	\$ 15.7
Interest expense, including accretion on debt ^(a)	9.0	17.8	19.1	39.5
	\$ 13.4	\$ 22.9	\$ 32.2	\$ 55.2

(a) During the three and nine months ended September 30, 2012, \$25.9 million and \$71.7 million (three and nine months ended September 30, 2011 - \$1.9 million and \$5.1 million), respectively, of interest was capitalized to property, plant and equipment. See Note 5(v).

Interest paid during the three and nine months ended September 30, 2012 was \$27.6 million and \$62.3 million, respectively (three and nine months ended September 30, 2011 - \$4.6 million and \$9.7 million, respectively).

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6. FINANCIAL INSTRUMENTS

Derivative instruments:

Fair value estimates for derivative contracts, except as noted below, are based on quoted market prices and represent the amount the Company would have received from, or paid to, a counterparty to unwind the contract at the market rates in effect at the interim condensed consolidated balance sheet date.

The fair value of the embedded derivative related to the conversion option of the senior convertible note is based on pricing models which use a number of observable market-determined variables.

	September 30, 2012		December 31, 2011	
	Asset / (Liability)		Asset / (Liability)	
	Fair Value	AOCI	Fair Value	AOCI
Interest rate contracts				
Interest rate sw aps ^(a)	\$ (3.6)	\$ (3.4)	\$ (0.1)	\$ -
Currency contracts				
Foreign currency forw ard contracts ^(b)	(15.5)	(6.1)	(75.1)	(54.4)
Commodity contracts				
Gold and silver forw ard contracts	-	-	-	(48.6)
Energy forw ard contracts ^(c)	2.9	2.3	1.6	1.3
Other contracts				
Total return sw ap	0.8	-	(0.7)	-
Canadian dollar denominated common share purchase w arrants liability	(6.9)	-	(18.6)	-
Senior convertible notes - conversion option	(0.1)	-	(2.6)	-
Total all contracts	\$ (22.4)	\$ (7.2)	\$ (95.5)	\$ (101.7)
Unrealized fair value of derivative assets				
Current	17.1		2.8	
Non-current	12.4		1.1	
	\$ 29.5		\$ 3.9	
Unrealized fair value of derivative liabilities				
Current	(33.6)		(66.7)	
Non-current	(18.3)		(32.7)	
	\$ (51.9)		\$ (99.4)	
Total net fair value	\$ (22.4)		\$ (95.5)	

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

(b) Of the total amount recorded in AOCI, \$5.2 million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

(c) Of the total amount recorded in AOCI, \$(1.2) million will be reclassified to net earnings within the next 12 months as a result of settling the contracts.

During 2008, the Company entered into an interest rate swap in order to fix the interest rates on 50% of the Paracatu term loan, maturing in February 2012. Under the contract, Kinross Brasil Mineração S.A., a wholly-owned subsidiary of the Company, was to pay a rate of 3.83% and receive LIBOR plus 1%. The Paracatu term loan was repaid in February 2012, and accordingly, the interest rate swap was settled.

Concurrent with completing the three-year, floating rate term loan in August 2012 (see Note 8 (i)), the Company entered into an interest rate swap to swap the underlying LIBOR into a fixed rate of 0.49% for the entire three year period.

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Canadian dollar denominated common share purchase warrants liability

The Company's Canadian dollar denominated common share purchase warrants are considered derivative instruments and were measured at fair value on initial recognition and subsequently at each reporting date, with changes in fair value recognized in the interim condensed consolidated statement of operations. For the three and nine months ended September 30, 2012, the Company recognized a gain of \$0.6 million and \$11.7 million, respectively (three and nine months ended September 30, 2011 – a gain of \$2.4 million and \$27.2 million, respectively) in the interim condensed consolidated statement of operations.

Senior convertible notes - conversion option

The Company's option to settle its convertible notes in cash or shares upon conversion causes the conversion option to be considered an embedded derivative which is recognized at fair value on initial recognition and subsequently at each reporting date with changes in the fair value recognized in the interim condensed consolidated statement of operations. For the three and nine months ended September 30, 2012, the Company recognized a gain of \$0.1 million and \$2.5 million, respectively (three and nine months ended September 30, 2011 – a loss of \$4.1 million and a gain of \$24.2 million, respectively) in the interim condensed consolidated statement of operations.

7. CAPITAL AND FINANCIAL RISK MANAGEMENT

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

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

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

Capital management

The Company's objectives when managing capital are to:

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

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

The Company is not subject to any externally imposed capital requirements, other than the requirement to maintain a minimum tangible net worth under the terms of its revolving credit facility agreement, as disclosed in Note 8 (i).

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

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	September 30, 2012	December 31, 2011
Long-term debt	\$ 2,117.5	\$ 1,600.4
Current portion of long-term debt	512.0	32.7
Total debt	2,629.5	1,633.1
Common shareholders' equity	12,839.5	12,390.4
Gross debt / common shareholders' equity ratio	20%	13%
Company target	0 – 30%	0 – 30%

8. LONG-TERM DEBT AND CREDIT FACILITIES

			September 30, 2012				December 31, 2011	
			Interest Rates	Nominal Amount	Deferred Financing Costs	Carrying Amount ^(a)	Fair Value	Carrying Amount ^(a)
								Fair Value
Corporate revolving credit facility	(i)	Variable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate term loan facility	(i)	Variable	1,000.0	(3.7)	996.3	996.3	22.4	22.3
Senior convertible notes	(ii)	1.75%	444.7	-	444.7	461.2	420.7	457.3
Senior notes	(iii)	3.625%-6.875%	993.3	(10.4)	982.9	1,020.5	981.4	986.1
Kupol loan	(iv)	Variable	200.0	(4.3)	195.7	195.7	194.1	194.1
Finance leases	(v)	Various	9.9	-	9.9	9.9	12.8	13.1
Crixás bank loan and other		Variable	-	-	-	-	1.7	1.7
			2,647.9	(18.4)	2,629.5	2,683.6	1,633.1	1,674.6
Less: current portion			(512.0)	-	(512.0)	(512.0)	(32.7)	(32.7)
Long-term debt			\$ 2,135.9	\$ (18.4)	\$ 2,117.5	\$ 2,171.6	\$ 1,600.4	\$ 1,641.9

(a) Includes transaction costs on debt financings.

i. Corporate revolving credit and term loan facilities

In November 2009, the Company entered into an amended revolving credit facility which provided credit of \$450.0 million on an unsecured basis and was to expire in November 2012. The term loan (corporate term loan facility) for the Paracatu property formed part of the amended revolving credit facility and has been repaid in full.

On June 17, 2010, the Company entered into a further amendment to increase availability under the facility to \$600.0 million. On September 17, 2010, the revolving credit facility was further amended to add Mauritania, Ghana, and Côte d'Ivoire as permitted jurisdictions as a result of the Red Back Mining Inc. ("Red Back") acquisition. All other terms and conditions under the existing revolving credit facility remained unchanged.

On March 31, 2011, the Company entered into a further amendment to increase the availability under the facility to \$1,200.0 million. The term of the facility was also extended from November 2012 to March 2015.

Effective August 17, 2012, the Company amended the revolving credit facility increasing the available amount to \$1,500.0 million and extending the maturity date from March 2015 to August 2017.

As at September 30, 2012, the Company had drawn \$46.6 million (December 31, 2011 – \$55.5 million) on the amended revolving credit facility. The amount drawn was entirely for letters of credit (December 31, 2011 – \$55.5 million including drawings for the Paracatu term loan and \$32.8 million for letters of credit). The Paracatu term loan was repaid in full during the first quarter of 2012.

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Also effective August 17, 2012, the Company completed a new unsecured term loan facility for \$1,000.0 million. The facility matures August 10, 2015, with the full amount having been drawn on August 22, 2012.

Loan interest for both the amended revolving credit facility and 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 September 30, 2012, interest charges and fees are as follows:

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

Concurrent with completing this term loan, the Company entered into an interest rate swap to swap the underlying LIBOR into a fixed rate of 0.49% in respect of the term loan for the entire three year period. Based on the Company's current credit rating, the fixed rate on the term loan is 2.19%.

The amended revolving credit facility and new unsecured term loan were arranged under one credit agreement, which contains various covenants including limits on indebtedness, asset sales and liens. Significant financial covenants include a minimum tangible net worth of \$5,734.8 million and increasing by 50% of positive net income each quarter, starting with the quarter ending September 30, 2012, (previously \$5,250.0 million starting December 31, 2010 and increasing by 50% of positive net income each quarter), and net debt to EBITDA, as defined in the agreement, of no more than 3.5:1. The Company is in compliance with these covenants at September 30, 2012.

ii. Senior convertible notes

In January 2008, the Company completed a public offering of \$460.0 million senior convertible notes due March 15, 2028, each in the amount of one thousand dollars. The notes will pay interest semi-annually at a rate of 1.75% per annum. The notes will be convertible, at the holder's option, equivalent to a conversion price of \$27.64 per share of common stock subject to adjustment. Kinross received net proceeds of \$449.9 million from the offering of convertible notes, after payment of the commissions of the initial purchasers and expenses of the offering. The convertible notes are convertible into Kinross common shares at a fixed conversion rate, subject to certain anti-dilution adjustments, only in the event that (i) the market price of Kinross common shares exceeds 130% of the effective conversion price of the convertible notes, (ii) the trading price of the convertible notes falls below 98% of the amount equal to Kinross' then prevailing common share price, times the applicable conversion rate, (iii) the convertible notes are called for redemption, (iv) upon the occurrence of specified corporate transactions or (v) if Kinross common shares cease to be listed on a specified stock exchange or eligible for trading on an over-the-counter market. The convertible notes will also be convertible on and after December 15, 2027. The convertible senior notes are redeemable by the Company, in whole or part, for cash at any time on or after March 20, 2013, at a redemption price equal to par plus accrued and unpaid interest, if any, to the redemption date. Holders of the convertible notes will have the right to require Kinross to repurchase the convertible notes on March 15, 2013, 2018 and 2023, and, on or prior to March 20, 2013, upon certain fundamental changes. The redemption price will be equal to 100% of the principal amount of the convertible notes plus accrued and unpaid interest to the redemption date, if any.

iii. Senior notes

On August 22, 2011, the Company completed a \$1.0 billion offering of debt securities consisting of \$250.0 million principal amount of 3.625% senior notes due 2016, \$500.0 million principal amount of 5.125% senior notes due 2021 and \$250.0 million principal amount of 6.875% senior notes due 2041 (collectively, the "notes"). The notes pay interest semi-annually. Kinross received net proceeds of \$980.9 million from the offering, after discount, payment of the commissions to the initial purchasers and expenses directly related to the offering. Except as noted below, the notes are redeemable by the Company, in whole or part, for cash at any time prior to maturity, at a redemption price equal to the greater of 100% of the principal amount or the sum of the present value of the remaining scheduled principal and interest payments on the notes discounted at the applicable treasury rate, as defined in the indenture, plus a premium of between 40 and 50 basis points, plus accrued interest, if any. Within three months and six months of maturity of the notes due in 2021 and 2041, respectively, the Company can only redeem the notes in whole at 100% of the principal amount plus

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accrued interest, if any. In addition, the Company is required to make an offer to repurchase the notes prior to maturity upon certain fundamental changes at a redemption price equal to 101% of the principal amount of the notes plus accrued and unpaid interest to the redemption date, if any.

iv. Kupol loan

On December 21, 2011, the Company completed a \$200.0 million non-recourse loan from a group of international financial institutions. The non-recourse loan carries a term of five years, maturing on September 30, 2016 and bears annual interest of LIBOR plus 2.5%. Semi-annual principal repayments of \$30.0 million will commence in March 2013 and continue through September 30, 2015. Principal repayments due on March 31, 2016 and September 30, 2016 are reduced to \$13.0 million and \$7.0 million, respectively. The Company may prepay the loan in whole or in part, without penalty, but subject to customary break costs, if any. The agreement contains various requirements that include limits on distributions if certain minimum debt service coverage levels are not achieved. Land, plant and equipment with a carrying amount of \$208.7 million (December 31, 2011 - \$231.3 million) are pledged as security as part of the Kupol loan.

As at September 30, 2012, cash of \$34.0 million (December 31, 2011 - \$34.0 million) was restricted for payments related to this loan.

v. Finance leases

At September 30, 2012, the Company had finance lease obligations totaling \$9.9 million (December 31, 2011 - \$12.8 million). Repayments on the finance leases end in 2020.

vi. Other

In November 2009, the Company entered into a Letter of Credit guarantee facility with Export Development Canada for \$125.0 million. Letters of credit guaranteed by this facility are solely for reclamation liabilities at Fort Knox, Round Mountain, and Kettle River–Buckhorn. Fees related to letters of credit under this facility are 1.00% to 1.25%.

On July 30, 2010, the Company entered into an amendment to increase the amount of the Letter of Credit guarantee facility from \$125.0 million to \$136.0 million.

On June 15, 2012 the Company entered into a further amendment of the Letter of Credit guarantee facility to increase the amount from \$136.0 million to \$200.0 million and extend the maturity date to March 31, 2015. All other terms and conditions under this agreement remained the same. As at September 30, 2012, the amount outstanding under this facility was \$164.1 million (December 31, 2011 - \$135.1 million).

In addition, at September 30, 2012, the Company had approximately \$40.5 million (December 31, 2011 - \$41.0 million) in letters of credit outstanding, in respect of its operations in Brazil, Mauritania and Ghana. These letters of credit have been issued pursuant to arrangements with certain international banks.

From time to time, the Company's operations in Brazil may borrow US dollars from Brazilian banks on a short-term unsecured basis to meet working capital requirements. As at September 30, 2012 and December 31, 2011, \$nil was outstanding under such borrowings.

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9. PROVISIONS

	Reclamation and remediation obligations (i)	Other	Total
Balance at January 1, 2012	\$ 598.6	\$ 36.6	\$ 635.2
Additions	-	4.7	4.7
Reductions	(12.4)	(7.7)	(20.1)
Reclamation spending	(8.7)	-	(8.7)
Accretion	13.3	-	13.3
Balance at September 30, 2012	\$ 590.8	\$ 33.6	\$ 624.4
Current portion	32.9	0.3	33.2
Non-current portion	557.9	33.3	591.2
	\$ 590.8	\$ 33.6	\$ 624.4

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 obligation. The above table details the items that affect the reclamation and remediation obligations. The reduction reflects the elimination of the obligation related to the Crixás mine. See Note 4.

Regulatory authorities in certain jurisdictions require that security be provided to cover the estimated reclamation and remediation obligations. As at September 30, 2012, letters of credit totaling \$206.6 million (December 31, 2011 – \$170.8 million) had been issued to various regulatory agencies to satisfy financial assurance requirements for this purpose. The letters of credit were issued against the Company's Letter of Credit guarantee facility with Export Development Canada, the corporate revolving credit facility, and pursuant to arrangements with certain international banks. The Company is in compliance with all applicable requirements under these facilities.

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10. COMMON SHARE CAPITAL AND COMMON SHARE PURCHASE WARRANTS

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value. A summary of common share transactions for the nine months ended September 30, 2012 and year ended December 31, 2011 is as follows:

	Nine months ended September 30, 2012		Year ended December 31, 2011	
	Number of shares (‘000’s)	Amount (\$)	Number of shares (‘000’s)	Amount (\$)
Common shares				
Balance at January 1,	1,137,732	\$ 14,494.6	1,133,295	\$ 14,414.2
Issued:				
On acquisition of properties	-	-	223	3.8
Under employee share purchase plan	572	5.4	421	6.2
Under stock option and restricted share plan	1,183	20.0	1,405	26.2
Under Aurelian options	-	-	377	6.1
Under Bema options	-	-	22	0.3
Under Underworld options	62	1.1	28	0.6
Under Red Back options	155	2.9	1,850	35.6
Conversions:				
Bema warrants	-	-	111	1.6
Balance, at end of period	1,139,704	\$ 14,524.0	1,137,732	\$ 14,494.6
Common share purchase warrants ^(a)				
Balance at January 1,	45,454	\$ 162.0	50,262	\$ 162.2
Conversion of warrants	-	-	(111)	(0.2)
Expiry of warrants	-	-	(4,697)	-
Balance, at end of period	45,454	\$ 162.0	45,454	\$ 162.0
Total common share capital and common share purchase warrants		\$ 14,686.0		\$ 14,656.6

(a) Amount includes only the value of the U.S. dollar denominated warrants. Canadian dollar denominated warrants are considered an embedded derivative and classified as a liability (see Note 6).

i. Dividends on common shares

The following summarizes dividends paid during the nine months ended September 30, 2012. There were no dividends declared but unpaid at September 30, 2012.

	Per share	Total amount (\$ millions)
Dividends paid during the period:		
Three months ended September 30, 2012	\$ 0.08	\$ 91.2
Three months ended March 31, 2012	\$ 0.08	\$ 91.1
Total		\$ 182.3

ii. Common share purchase warrants

The Company has issued both Canadian dollar denominated and U.S. dollar denominated common share purchase warrants.

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(a) Canadian dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the nine months ended September 30, 2012 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price (CDN\$/warrant)
Balance at January 1, 2012	19,695	\$ 32.00
Issued	-	-
Exercised	-	-
Balance at September 30, 2012	19,695	\$ 32.00

These Canadian dollar denominated common share purchase warrants are classified as a liability (see Note 6).

(b) U.S. dollar denominated common share purchase warrants

A summary of the status of the common share purchase warrants and changes during the nine months ended September 30, 2012 is as follows:

	Share equivalents of warrants ('000's)	Weighted average exercise price (\$/warrant)
Balance at January 1, 2012	25,759	\$ 21.30
Issued	-	-
Exercised	-	-
Balance at September 30, 2012	25,759	\$ 21.30

11. SHARE-BASED PAYMENTS

i. Stock option plan

The following table summarizes information about the stock options outstanding and exercisable at September 30, 2012:

Canadian \$ denominated options		
	Nine months ended September 30, 2012	
	Number of options (000's)	Weighted average exercise price (CDN\$)
Balance at January 1	13,728	\$ 15.85
Granted	4,808	9.78
Exercised	(217)	4.96
Forfeited	(518)	16.05
Expired	(1,800)	20.83
Outstanding at end of period	16,001	\$ 13.61
Exercisable at end of period	10,063	\$ 14.82

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The following weighted average assumptions were used in computing the fair value of stock options granted during the nine months ended September 30, 2012:

	2012
Black-Scholes weighted-average assumptions:	
Weighted average share price (CDN\$)	\$ 9.78
Expected dividend yield	1.67%
Expected volatility	43.2%
Risk-free interest rate	1.4%
Estimated forfeiture rate	3.0%
Expected option life in years	4.5
Weighted average fair value per stock option granted (CDN\$)	\$ 3.16

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

ii. Restricted share unit plan

The following table summarizes information about the restricted share unit plan outstanding at September 30, 2012:

	Nine months ended September 30, 2012	
	Number of units (000's)	Weighted average exercise price (CDN\$/unit)
Balance at January 1	2,554	\$ 17.43
Granted	3,247	10.44
Reinvested	65	12.83
Redeemed	(1,167)	17.91
Forfeited	(665)	12.72
Outstanding at end of period	4,034	\$ 12.37

iii. Restricted performance share unit plan

The following table summarizes information about the restricted performance share unit plan outstanding at September 30, 2012:

	Nine months ended September 30, 2012	
	Number of units (000's)	Weighted average exercise price (CDN\$/unit)
Balance at January 1	548	\$ 17.38
Granted	770	10.75
Reinvested	17	13.26
Redeemed	(16)	22.65
Forfeited	(372)	14.63
Outstanding at end of period	947	\$ 12.91

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iv. Deferred share unit plan ("DSU")

	Nine months ended September 30, 2012
DSUs granted (000's)	119
Weighted average grant-date fair value per unit (CDN\$)	\$ 9.30

There were 411,140 DSUs outstanding, for which the Company had recognized a liability of \$4.2 million as at September 30, 2012 (December 31, 2011 - \$3.6 million).

v. Employee share purchase plan

The number of shares issued by the Company and the average price per share for the nine months ended September 30, 2012 are as follows:

	Nine months ended September 30, 2012
Common shares issued (000's)	572
Average price of shares issued (\$/unit)	\$ 9.45

12. EARNINGS PER SHARE

Basic and diluted net earnings from continuing operations attributable to common shareholders of Kinross for the three and nine months ended September 30, 2012 was \$224.9 million and \$440.3 million, respectively (three and nine months ended September 30, 2011 - \$207.1 million and \$697.6 million, respectively). Basic and diluted net earnings attributable to common shareholders of Kinross for the three and nine months ended September 30, 2012 was \$224.9 million and \$484.2 million, respectively (three and nine months ended September 30, 2011 - \$212.6 million and \$710.1 million, respectively).

(Number of common shares in thousands)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Basic weighted average shares outstanding:	1,139,358	1,136,687	1,138,800	1,135,506
Weighted average shares dilution adjustments:				
Stock options ^(a)	997	2,539	1,128	2,690
Restricted shares	4,068	2,619	3,970	2,605
Performance shares	1,127	556	1,072	487
Common share purchase warrants ^(a)	-	-	-	11
Diluted weighted average shares outstanding	1,145,550	1,142,401	1,144,970	1,141,299
Weighted average shares dilution adjustments - exclusions: ^(b)				
Stock options	11,597	5,858	12,134	7,744
Common share purchase warrants	45,455	48,978	45,455	49,756
Convertible notes	52,842	27,639	48,827	28,543

(a) Dilutive stock options and warrants were determined using the Company's average share price for the period. For the three and nine months ended September 30, 2012, the average share price used was \$8.71 and \$9.42, respectively (three and nine months ended September 30, 2011: \$16.64 and \$16.12 per share, respectively).

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

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13. INCOME TAX EXPENSE

During the first and third quarters of 2012, the Ghanaian and Chilean corporate income tax rates were increased from 25% to 35% and 17% to 20%, respectively. As a result, these higher rates were applied to taxable temporary differences relating to our Ghanaian and Chilean operations, which increased deferred tax liabilities and deferred income tax expense by \$116.5 million, which has been recorded in income tax expense of \$419.6 million for the nine months ended September 30, 2012.

14. SEGMENTED INFORMATION

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

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

In order to determine reportable operating segments, management reviewed various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment consists of an individual mining property managed by a single general manager and management team. Certain properties that are in development or have not reached commercial production levels are considered reportable segments because they have reached quantitative thresholds. These have been identified as non-operating segments. There are no material intersegment transactions. Finance income, finance expense, other income (expense) - net, and equity in gains (losses) of associates are managed on a consolidated basis and are not allocated to operating segments.

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

On June 28, 2012, the Company completed the sale of its 50% interest in the Crixás gold mine to a subsidiary of AngloGold Ashanti Ltd. for gross cash proceeds of \$220.0 million, resulting in an after-tax gain on disposal of \$33.8 million. As a result, Crixás is no longer a reportable segment, and is considered a discontinued operation. See Note 4.

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Operating segments

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

[illegible]

(a) Non-operating segments include development properties.

(b) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including Lobo-Marté and White Gold).

(c) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2012 segment presentation.

(d) On June 28, 2012, the Company disposed of its interest in Crixás. Earnings include the pre-tax gain on disposal. See Note 4.

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	Operating segments									Non-operating segments ^(a)		Total
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other ^(b)	
Nine months ended September 30, 2012:												
Revenue												
Metal sales	\$ 384.4	246.8	550.2	193.2	290.3	685.9	203.9	221.3	348.5	-	-	\$ 3,124.5
Cost of sales												
Production cost of sales	171.4	104.1	305.6	126.1	128.2	210.9	60.2	112.6	154.1	-	-	1,373.2
Depreciation, depletion and amortization	46.1	22.8	53.8	22.9	16.7	83.1	58.8	52.3	118.2	-	6.6	481.3
Total cost of sales	217.5	126.9	359.4	149.0	144.9	294.0	119.0	164.9	272.3	-	6.6	1,854.5
Gross profit (loss)	\$ 166.9	119.9	190.8	44.2	145.4	391.9	84.9	56.4	76.2	-	(6.6)	\$ 1,270.0
Other operating costs (income)	-	-	2.7	0.1	6.0	0.8	(0.1)	17.9	1.7	0.2	13.1	42.4
Exploration and business development	6.0	1.0	0.3	5.5	0.5	19.1	14.3	61.1	8.2	2.5	68.3	186.8
General and administrative	-	-	-	-	-	3.6	-	-	-	-	132.4	136.0
Operating earnings (loss)	\$ 160.9	118.9	187.8	38.6	138.9	368.4	70.7	(22.6)	66.3	(2.7)	(220.4)	\$ 904.8
Other expense – net												(18.9)
Equity in losses of associates												(4.7)
Finance income												3.6
Finance expense												(32.2)
Earnings from continuing operations before taxes												\$ 852.6
Earnings from discontinued operations before taxes ^(d)												\$ 112.7
Nine months ended September 30, 2011:												
Revenue												
Metal sales	\$ 337.8	220.8	524.3	197.8	274.4	636.8	207.8	223.6	299.4	-	-	\$ 2,922.7
Cost of sales												
Production cost of sales	146.8	102.8	241.3	110.1	83.3	193.0	55.7	101.0	136.7	-	-	1,170.7
Depreciation, depletion and amortization	47.6	22.6	45.6	25.2	14.4	102.2	59.3	48.7	67.1	-	4.0	436.7
Total cost of sales	194.4	125.4	286.9	135.3	97.7	295.2	115.0	149.7	203.8	-	4.0	1,607.4
Gross profit (loss)	\$ 143.4	95.4	237.4	62.5	176.7	341.6	92.8	73.9	95.6	-	(4.0)	\$ 1,315.3
Other operating costs (income)	0.6	0.9	1.9	0.1	0.4	0.5	(2.1)	2.8	1.2	0.2	15.1	21.6
Exploration and business development	5.7	0.6	0.1	4.6	0.1	6.4	4.6	9.5	6.5	2.3	47.0	87.4
General and administrative	-	-	0.7	-	-	0.2	-	-	-	0.2	118.5	119.6
Operating earnings (loss)	\$ 137.1	93.9	234.7	57.8	176.2	334.5	90.3	61.6	87.9	(2.7)	(184.6)	\$ 1,086.7
Other income – net												96.0
Equity in losses of associates												(1.4)
Finance income												5.4
Finance expense												(55.2)
Earnings from continuing operations before taxes												\$ 1,131.5
Earnings from discontinued operations before taxes ^(d)												\$ 20.4

(a) Non-operating segments include development properties.

(b) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including Lobo-Marté and White Gold).

(c) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2012 segment presentation.

(d) On June 28, 2012, the Company disposed of its interest in Crixás. Earnings include the pre-tax gain on disposal. See Note 4.

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	Operating segments									Non-operating segments ^(a)			Total
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Kupol	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other ^(b)	Discontinued operations ^(e)	
Property, plant and equipment at: September 30, 2012	\$ 441.4	230.5	1,766.9	201.0	593.8	1,144.3	116.7	2,937.3	1,151.8	690.2	600.1	-	\$ 9,874.0
Total assets at: September 30, 2012	\$ 630.3	338.5	2,074.5	478.5	983.0	2,218.1	155.6	5,641.4	1,808.6	698.6	2,965.9	-	\$ 17,993.0
Capital expenditures for three months ended September 30, 2012 ^(d)	\$ 21.9	12.9	77.9	26.2	27.6	58.6	1.0	169.2	15.0	10.3	8.5	-	\$ 429.1
Capital expenditures for nine months ended September 30, 2012 ^(d)	\$ 96.2	49.0	236.2	64.4	122.2	145.5	4.8	633.6	59.5	52.0	47.6	7.4	\$ 1,518.4

	Operating segments									Non-operating segments ^(a)			Total
	Fort Knox	Round Mountain	Paracatu	La Coipa	Maricunga	Kupol ^(c)	Kettle River-Buckhorn	Tasiast	Chirano	Fruta del Norte	Corporate and other ^{(b)(c)}	Discontinued operations ^(e)	
Property, plant and equipment at: December 31, 2011	\$ 394.8	203.4	1,586.0	162.2	490.8	1,076.9	171.2	2,370.6	1,210.3	638.2	560.1	94.9	\$ 8,959.4
Total assets at: December 31, 2011	\$ 547.1	311.8	1,884.8	475.4	870.6	1,937.0	207.5	4,930.6	1,922.6	647.4	2,610.8	163.2	\$ 16,508.8
Capital expenditures for three months ended September 30, 2011	\$ 26.8	9.6	105.9	17.4	29.9	57.2	3.9	88.3	19.5	18.4	12.7	5.4	\$ 395.0
Capital expenditures for nine months ended September 30, 2011	\$ 75.1	26.0	207.8	41.4	115.3	159.6	10.4	264.6	65.7	50.7	34.7	15.2	\$ 1,066.5

(a) Non-operating segments include development properties.

(b) Includes corporate, Cerro Casale, shutdown and other non-operating assets (including Lobo-Marté and White Gold).

(c) As of December 31, 2011, Dvoinoye was reclassified into the Kupol segment. The comparative figures have been reclassified to conform to the 2012 segment presentation.

(d) Segmented capital expenditures are presented on an accrual basis. Additions to property, plant and equipment in the Interim Condensed Consolidated Statement of Cash Flows are presented on a cash basis.

(e) On June 28, 2012, the Company disposed of its interest in Crixás. See Note 4.

15. COMMITMENTS AND CONTINGENCIES

i. Commitments

Operating leases

The Company has a number of operating lease agreements involving office space and equipment. The operating leases for equipment provide that the Company may, after the initial lease term, renew the lease for successive yearly periods or may purchase the equipment at its fair market value. The operating leases for certain office facilities contain escalation clauses for increases in operating costs and property taxes. A majority of these leases are cancelable and are renewable on a yearly basis.

ii. Contingencies

General

Estimated losses from contingencies are accrued by a charge to earnings when information available prior to the issuance of the financial statements indicates that it is likely that a future event will confirm that an asset has been impaired or a liability incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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Cerro Casale contingency

The Company was obligated to pay \$40 million to Barrick when a production decision is made relating to the Cerro Casale project. During the first quarter of 2010, this contingent liability was reduced to \$20 million in accordance with the agreement with Barrick under which the Company sold one-half of its 50% interest in the Cerro Casale project.

Other legal matters

The Company is from time to time involved in legal proceedings, arising in the ordinary course of its business. Typically, and currently, except in the case of the actions described below, the amount of ultimate liability with respect to these actions will not, in the opinion of management, materially affect Kinross' financial position, results of operations or cash flows.

A putative securities class action complaint was filed on February 16, 2012 (the "U.S. Complaint"), entitled *Bo Young Cha v. Kinross Gold Corporation et al.*, in the United States District Court for the Southern District of New York (the "Court"). The U.S. Complaint named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, Executive Vice President and Chief Financial Officer, Glen Masterman, Senior Vice President, Exploration and Kenneth Thomas, former Senior Vice President, Projects. On May 31, 2012, the Court selected the City of Austin Police Retirement System ("City of Austin") to be lead plaintiff. Pursuant to an order of the Court, City of Austin filed an amended Complaint on July 23, 2012 (the "Amended U.S. Complaint"). The Amended U.S. Complaint alleges among other things, that, between August 2, 2010 and January 17, 2012, the Defendants inflated Kinross' share price by knowingly or recklessly making material misrepresentations concerning (i) the extent and quality of the due diligence Kinross performed prior to its acquisition of Red Back and (ii) Kinross' schedule for developing the Tasiast mine. Defendants filed a motion to dismiss the Amended U.S. Complaint on September 7, 2012 and oral argument on the motion to dismiss is scheduled for November 30, 2012. Defendants intend to vigorously defend against the Amended U.S. Complaint and believe it is without merit.

A notice of action in a proposed class proceeding under Ontario's Class Proceedings Act, 1992, was filed in the Ontario Superior Court of Justice (the "Ontario Court") on March 12, 2012, entitled *Trustees of the Musicians' Pension Fund of Canada v. Kinross Gold Corporation et al.* (the "First Ontario Action"). A statement of claim in the First Ontario Action was subsequently served on April 11, 2012. The Ontario Action named as defendants the Company, Tye Burt, former President and CEO, Paul Barry, Executive Vice President and Chief Financial Officer, Glen Masterman, Senior Vice President, Exploration, and Kenneth Thomas, former Senior Vice President, Projects. The First Ontario Action alleges, among other things, that Kinross made a number of misrepresentations relating to the quantity and quality of gold ore at the Tasiast mine and the costs of operating the mine, and that Kinross and the individual defendants knew that such misrepresentations were false or misleading when made. The plaintiff is seeking certification of the action as a class proceeding and leave to proceed under the statutory civil liability provisions of Ontario's Securities Act. A hearing on the plaintiff's certification motion has been scheduled for October 22-25, 2013. The plaintiff is also seeking various relief, including damages in the amount of CDN\$4 billion and costs of the action. Kinross intends to vigorously defend against the First Ontario Action and believes it is without merit.

A notice of action in a second proposed class proceeding was filed in the Ontario Court on March 16, 2012 and a corresponding statement of claim was served with the notice of action on April 17, 2012 entitled *Earl Downey and John Doe I v. Kinross Gold Corporation et al.* (the "Second Ontario Action"). The Second Ontario Action names the same defendants as the First Ontario Action and, in addition, names Tasiast Mauritanie Limited S.A. ("TMLSA"), an indirect subsidiary of Kinross that is incorporated and headquartered in Mauritania. TMLSA disputes that it was validly served with the claim in Ontario and reserves its right to contest the jurisdiction of the Ontario Court. The allegations in the Second Ontario Action are similar to those advanced in the First Ontario Action. Various forms of relief are sought, including damages in the amount of CDN\$3.5 billion and costs of the action. Subsequent to the service of the statement of claim in the Second Ontario action, it came to Kinross' attention that the same law firm that acts for the plaintiff in the Second Ontario Action had filed statements of claim making virtually identical allegations against the same defendants on behalf of the same proposed class with the Supreme Court of British Columbia and the Court of Queen's Bench of Alberta (the "Parallel British Columbia and Alberta Actions"). The firms representing the plaintiffs in the First Ontario Action and the Second Ontario Action reached an agreement on carriage whereby the First Ontario Action will proceed and the Second Ontario Action and the Parallel British Columbia and Alberta Actions will be discontinued. This agreement was disclosed to the Ontario Court on July 16, 2012.

KINROSS GOLD CORPORATION

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For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

Income taxes

The Company operates in numerous countries around the world and accordingly is subject to, and pays, annual income taxes under the various regimes in countries in which it operates. These tax regimes are determined under general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are complex and subject to interpretation. 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.

KINROSS GOLD CORPORATION

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16. 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”): Kinross Gold U.S.A., Inc., Round Mountain Gold Corporation, Kinross Brasil Mineração S.A., Aurelian Resources Inc., BGO (Bermuda) Ltd., Crown Resources Corporation, Fairbanks Gold Mining, Inc., Melba Creek Mining, Inc., Companhia Minera Mantos de Oro, Companhia 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 September 30, 2012 and December 31, 2011 and the consolidating statements of operations, statements of comprehensive income and statements of cash flows for the nine months ended September 30, 2012 and 2011. For purposes of this information, the financial statements of Kinross Gold Corporation and of the guarantor subsidiaries reflect investments in subsidiary companies on an equity accounting basis.

KINROSS GOLD CORPORATION

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For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

Consolidating balance sheet as at September 30, 2012

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	\$ 377.5	\$ 370.6	\$ -	\$ 748.1	\$ 591.6	\$ -	\$ 1,339.7
Restricted cash	15.5	3.0	-	18.5	42.6	-	61.1
Short-term investments	749.6	-	-	749.6	-	-	749.6
Accounts receivable and other assets	6.1	166.4	-	172.5	155.2	-	327.7
Intercompany receivables	488.6	2,462.9	(652.3)	2,299.2	4,139.1	(6,438.3)	-
Inventories	-	469.2	-	469.2	654.1	-	1,123.3
Unrealized fair value of derivative assets	4.3	12.8	-	17.1	-	-	17.1
	1,641.6	3,484.9	(652.3)	4,474.2	5,582.6	(6,438.3)	3,618.5
Non-current assets							
Property, plant and equipment	16.4	3,318.3	-	3,334.7	6,539.3	-	9,874.0
Goodwill	-	424.5	-	424.5	2,957.8	-	3,382.3
Long-term investments	55.3	1.3	-	56.6	19.1	-	75.7
Investments in associates	-	-	-	-	514.5	-	514.5
Intercompany investments	13,051.2	5,157.3	(9,027.0)	9,181.5	7,483.5	(16,665.0)	-
Unrealized fair value of derivative assets	2.7	9.7	-	12.4	-	-	12.4
Deferred charges and other long-term assets	7.9	144.6	-	152.5	329.8	-	482.3
Long-term intercompany receivables	1,395.1	762.3	(1,450.1)	707.3	1,487.6	(2,194.9)	-
Deferred tax assets	-	35.9	-	35.9	(2.6)	-	33.3
Total assets	\$ 16,170.2	\$ 13,338.8	\$ (11,129.4)	\$ 18,379.6	\$ 24,911.6	\$ (25,298.2)	\$ 17,993.0
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	\$ 47.1	\$ 243.2	\$ -	\$ 290.3	\$ 301.2	\$ -	\$ 591.5
Intercompany payables	216.9	1,760.1	(796.6)	1,180.4	5,247.0	(6,427.4)	-
Current tax payable	0.4	48.3	-	48.7	29.6	-	78.3
Current portion of long-term debt	444.6	6.8	-	451.4	60.6	-	512.0
Current portion of provisions	-	24.4	-	24.4	8.8	-	33.2
Current portion of unrealized fair value of derivative liabilities	6.9	26.7	-	33.6	-	-	33.6
	715.9	2,109.5	(796.6)	2,028.8	5,647.2	(6,427.4)	1,248.6
Non-current liabilities							
Long-term debt	1,979.3	-	-	1,979.3	138.2	-	2,117.5
Provisions	9.7	426.7	-	436.4	154.8	-	591.2
Unrealized fair value of derivative liabilities	3.6	14.7	-	18.3	-	-	18.3
Other long-term liabilities	1.3	82.8	-	84.1	50.1	-	134.2
Long-term intercompany payables	620.9	1,540.6	(1,305.8)	855.7	1,350.1	(2,205.8)	-
Deferred tax liabilities	-	137.5	-	137.5	833.2	-	970.7
Total liabilities	3,330.7	4,311.8	(2,102.4)	5,540.1	8,173.6	(8,633.2)	5,080.5
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	\$ 14,686.0	\$ 3,449.0	\$ (3,449.0)	\$ 14,686.0	\$ 18,080.5	\$ (18,080.5)	\$ 14,686.0
Contributed surplus	85.4	82.8	(82.8)	85.4	1,319.8	(1,319.8)	85.4
Retained earnings (accumulated deficit)	(1,948.0)	5,498.6	(5,498.6)	(1,948.0)	(2,735.0)	2,735.0	(1,948.0)
Accumulated other comprehensive income (loss)	16.1	(3.4)	3.4	16.1	(0.3)	0.3	16.1
Total common shareholders' equity	12,839.5	9,027.0	(9,027.0)	12,839.5	16,665.0	(16,665.0)	12,839.5
Non-controlling interest	-	-	-	-	73.0	-	73.0
Total equity	12,839.5	9,027.0	(9,027.0)	12,839.5	16,738.0	(16,665.0)	12,912.5
Total liabilities and equity	\$ 16,170.2	\$ 13,338.8	\$ (11,129.4)	\$ 18,379.6	\$ 24,911.6	\$ (25,298.2)	\$ 17,993.0

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(Unaudited and expressed in millions of United States dollars)

Consolidating balance sheet as at December 31, 2011

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Assets							
Current assets							
Cash and cash equivalents	\$ 1,062.7	\$ 232.0	\$ -	\$ 1,294.7	\$ 471.3	\$ -	\$ 1,766.0
Restricted cash	15.5	4.2	-	19.7	42.4	-	62.1
Short-term investments	-	-	-	-	1.3	-	1.3
Accounts receivable and other assets	4.6	148.8	-	153.4	156.0	-	309.4
Intercompany receivables	430.5	2,392.6	(893.4)	1,929.7	4,045.2	(5,974.9)	-
Inventories	-	368.2	-	368.2	608.0	-	976.2
Unrealized fair value of derivative assets	0.2	2.6	-	2.8	-	-	2.8
	1,513.5	3,148.4	(893.4)	3,768.5	5,324.2	(5,974.9)	3,117.8
Non-current assets							
Property, plant and equipment	15.4	2,953.2	-	2,968.6	5,990.8	-	8,959.4
Goodwill	-	424.5	-	424.5	2,995.8	-	3,420.3
Long-term investments	56.8	1.4	-	58.2	21.2	-	79.4
Investments in associates	-	-	-	-	502.5	-	502.5
Intercompany investments	12,283.7	5,168.9	(8,538.0)	8,914.6	6,992.2	(15,906.8)	-
Unrealized fair value of derivative assets	-	1.1	-	1.1	-	-	1.1
Deferred charges and other long-term assets	3.6	166.6	-	170.2	236.2	-	406.4
Long-term intercompany receivables	1,391.0	1,330.2	(1,341.1)	1,380.1	1,972.0	(3,352.1)	-
Deferred tax assets	-	24.3	-	24.3	(2.4)	-	21.9
Total assets	\$ 15,264.0	\$ 13,218.6	\$ (10,772.5)	\$ 17,710.1	\$ 24,032.5	\$ (25,233.8)	\$ 16,508.8
Liabilities							
Current liabilities							
Accounts payable and accrued liabilities	\$ 74.3	\$ 218.0	\$ -	\$ 292.3	\$ 283.0	\$ -	\$ 575.3
Intercompany payables	334.0	2,059.8	(981.4)	1,412.4	4,550.6	(5,963.0)	-
Current tax payable	-	44.4	-	44.4	38.5	-	82.9
Current portion of long-term debt	(0.3)	32.2	-	31.9	0.8	-	32.7
Current portion of provisions	-	28.0	-	28.0	10.1	-	38.1
Current portion of unrealized fair value of derivative liabilities	21.3	45.4	-	66.7	-	-	66.7
	429.3	2,427.8	(981.4)	1,875.7	4,883.0	(5,963.0)	795.7
Non-current liabilities							
Long-term debt	1,402.1	3.2	-	1,405.3	195.1	-	1,600.4
Provisions	13.2	416.9	-	430.1	167.0	-	597.1
Unrealized fair value of derivative liabilities	3.0	29.7	-	32.7	-	-	32.7
Other long-term liabilities	1.2	79.0	-	80.2	52.9	-	133.1
Long-term intercompany payables	1,024.8	1,637.0	(1,253.1)	1,408.7	1,955.3	(3,364.0)	-
Deferred tax liabilities	-	87.0	-	87.0	792.1	-	879.1
Total liabilities	2,873.6	4,680.6	(2,234.5)	5,319.7	8,045.4	(9,327.0)	4,038.1
Equity							
Common shareholders' equity							
Common share capital and common share purchase warrants	\$ 14,656.6	\$ 3,246.8	\$ (3,246.8)	\$ 14,656.6	\$ 17,617.2	\$ (17,617.2)	\$ 14,656.6
Contributed surplus	81.4	82.8	(82.8)	81.4	1,137.7	(1,137.7)	81.4
Retained earnings (accumulated deficit)	(2,249.9)	5,254.1	(5,254.1)	(2,249.9)	(2,792.3)	2,792.3	(2,249.9)
Accumulated other comprehensive income (loss)	(97.7)	(45.7)	45.7	(97.7)	(55.8)	55.8	(97.7)
Total common shareholders' equity	12,390.4	8,538.0	(8,538.0)	12,390.4	15,906.8	(15,906.8)	12,390.4
Non-controlling interest	-	-	-	-	80.3	-	80.3
Total equity	12,390.4	8,538.0	(8,538.0)	12,390.4	15,987.1	(15,906.8)	12,470.7
Total liabilities and equity	\$ 15,264.0	\$ 13,218.6	\$ (10,772.5)	\$ 17,710.1	\$ 24,032.5	\$ (25,233.8)	\$ 16,508.8

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Consolidating statement of operations for the nine months ended September 30, 2012

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Revenue							
Metal sales	\$ -	\$ 1,660.9	\$ -	\$ 1,660.9	\$ 1,463.6	\$ -	\$ 3,124.5
Cost of sales							
Production cost of sales	-	830.9	-	830.9	542.3	-	1,373.2
Depreciation, depletion and amortization	4.8	192.1	-	196.9	284.4	-	481.3
Total cost of sales	4.8	1,023.0	-	1,027.8	826.7	-	1,854.5
Gross profit (loss)	(4.8)	637.9	-	633.1	636.9	-	1,270.0
Other operating costs	3.8	10.0	-	13.8	28.6	-	42.4
Exploration and business development	28.6	28.4	-	57.0	129.8	-	186.8
General and administrative	97.4	17.8	-	115.2	20.8	-	136.0
Operating earnings (loss)	(134.6)	581.7	-	447.1	457.7	-	904.8
Other income (expense) - net	10.7	(6.1)	-	4.6	701.8	(725.3)	(18.9)
Equity in gains (losses) of associates and intercompany investments	555.6	15.4	(370.9)	200.1	(4.7)	(200.1)	(4.7)
Finance income	21.4	3.0	(19.3)	5.1	9.9	(11.4)	3.6
Finance expense	(8.9)	(35.7)	19.3	(25.3)	(18.3)	11.4	(32.2)
Earnings before taxes	444.2	558.3	(370.9)	631.6	1,146.4	(925.4)	852.6
Income tax expense - net	(5.4)	(187.4)	-	(192.8)	(226.8)	-	(419.6)
Earnings from continuing operations after tax	438.8	370.9	(370.9)	438.8	919.6	(925.4)	433.0
Earnings from discontinued operations after tax	45.4	(3.4)	3.4	45.4	48.8	(50.3)	43.9
Net earnings	\$ 484.2	\$ 367.5	\$ (367.5)	\$ 484.2	\$ 968.4	\$ (975.7)	\$ 476.9
Net earnings from continuing operations attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (7.3)	\$ -	\$ (7.3)
Common shareholders	\$ 438.8	\$ 370.9	\$ (370.9)	\$ 438.8	\$ 926.9	\$ (925.4)	\$ 440.3
Net earnings attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (7.3)	\$ -	\$ (7.3)
Common shareholders	\$ 484.2	\$ 367.5	\$ (367.5)	\$ 484.2	\$ 975.7	\$ (975.7)	\$ 484.2

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Consolidating statement of operations for the nine months ended September 30, 2011

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Revenue							
Metal sales	\$ -	\$ 1,515.1	\$ -	\$ 1,515.1	\$ 1,407.6	\$ -	\$ 2,922.7
Cost of sales							
Production cost of sales	-	653.2	-	653.2	517.5	-	1,170.7
Depreciation, depletion and amortization	3.7	185.9	-	189.6	247.1	-	436.7
Total cost of sales	3.7	839.1	-	842.8	764.6	-	1,607.4
Gross profit (loss)	(3.7)	676.0	-	672.3	643.0	-	1,315.3
Other operating costs	10.5	4.5	-	15.0	6.6	-	21.6
Exploration and business development	19.5	21.7	-	41.2	46.2	-	87.4
General and administrative	90.9	20.4	-	111.3	8.3	-	119.6
Operating earnings (loss)	(124.6)	629.4	-	504.8	581.9	-	1,086.7
Other income (expense) - net	207.2	(27.5)	-	179.7	(72.5)	(11.2)	96.0
Equity in gains (losses) of associates and intercompany investments	645.6	243.0	(614.7)	273.9	(1.4)	(273.9)	(1.4)
Finance income	5.3	3.5	(0.1)	8.7	17.7	(21.0)	5.4
Finance expense	(36.0)	(19.9)	0.1	(55.8)	(20.4)	21.0	(55.2)
Earnings before taxes	697.5	828.5	(614.7)	911.3	505.3	(285.1)	1,131.5
Income tax expense - net	(5.1)	(213.8)	-	(218.9)	(157.4)	-	(376.3)
Earnings from continuing operations after tax	692.4	614.7	(614.7)	692.4	347.9	(285.1)	755.2
Earnings from discontinued operations after tax	17.7	-	-	17.7	17.7	(22.9)	12.5
Net earnings	\$ 710.1	\$ 614.7	\$ (614.7)	\$ 710.1	\$ 365.6	\$ (308.0)	\$ 767.7
Net earnings from continuing operations attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 57.6	\$ -	\$ 57.6
Common shareholders	\$ 692.4	\$ 614.7	\$ (614.7)	\$ 692.4	\$ 290.3	\$ (285.1)	\$ 697.6
Net earnings attributable to:							
Non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 57.6	\$ -	\$ 57.6
Common shareholders	\$ 710.1	\$ 614.7	\$ (614.7)	\$ 710.1	\$ 308.0	\$ (308.0)	\$ 710.1

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(Unaudited and expressed in millions of United States dollars)

Consolidating statement of comprehensive income for the nine months ended September 30, 2012

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net earnings	\$ 484.2	\$ 367.5	\$ (367.5)	\$ 484.2	\$ 968.4	\$ (975.7)	\$ 476.9
Other comprehensive income (loss), net of tax:							
Change in fair value of investments ^(a)	(0.5)	1.2	-	0.7	(1.5)	-	(0.8)
Reclassification to earnings for impairment charges	11.7	-	-	11.7	8.5	-	20.2
Accumulated other comprehensive income related to investments sold ^(b)	(0.1)	-	-	(0.1)	-	-	(0.1)
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(c)	4.9	29.6	-	34.5	-	-	34.5
Accumulated other comprehensive income related to derivatives settled ^(d)	0.1	11.2	-	11.3	48.7	-	60.0
	16.1	42.0	-	58.1	55.7	-	113.8
Equity in other comprehensive income of associates and intercompany investments	97.7	0.3	(42.3)	55.7	-	(55.7)	-
Total comprehensive income	\$ 598.0	\$ 409.8	\$ (409.8)	\$ 598.0	\$ 1,024.1	\$ (1,031.4)	\$ 590.7
Comprehensive income from continuing operations	\$ 552.6	\$ 413.2	\$ (413.2)	\$ 552.6	\$ 975.3	\$ (981.1)	\$ 546.8
Comprehensive income (loss) from discontinued operations	45.4	(3.4)	3.4	45.4	48.8	(50.3)	43.9
Comprehensive income	\$ 598.0	\$ 409.8	\$ (409.8)	\$ 598.0	\$ 1,024.1	\$ (1,031.4)	\$ 590.7
Attributable to non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ (7.3)	\$ -	\$ (7.3)
Attributable to common shareholders	\$ 598.0	\$ 409.8	\$ (409.8)	\$ 598.0	\$ 1,031.4	\$ (1,031.4)	\$ 598.0
(a) Net of tax of	(0.3)	-	-	(0.3)	(0.4)	-	(0.7)
(b) Net of tax of	-	-	-	-	-	-	-
(c) Net of tax of	-	4.1	-	4.1	-	-	4.1
(d) Net of tax of	-	6.6	-	6.6	-	-	6.6

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Consolidating statement of comprehensive income for the nine months ended September 30, 2011

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net earnings	\$ 710.1	\$ 614.7	\$ (614.7)	\$ 710.1	\$ 365.6	\$ (308.0)	\$ 767.7
Other comprehensive income (loss), net of tax:							
Change in fair value of investments ^(a)	(7.3)	(1.8)	-	(9.1)	(27.2)	-	(36.3)
Reclassification to earnings for impairment charges	-	-	-	-	-	-	-
Accumulated other comprehensive income related to investments sold ^(b)	(30.0)	-	-	(30.0)	-	-	(30.0)
Changes in fair value of derivative financial instruments designated as cash flow hedges ^(c)	(4.5)	(55.1)	-	(59.6)	(19.9)	-	(79.5)
Accumulated other comprehensive income related to derivatives settled ^(d)	(5.1)	(16.7)	-	(21.8)	179.4	-	157.6
	(46.9)	(73.6)	-	(120.5)	132.3	-	11.8
Equity in other comprehensive income of associates and intercompany investments	58.7	(10.0)	83.6	132.3	-	(132.3)	-
Total comprehensive income	\$ 721.9	\$ 531.1	\$ (531.1)	\$ 721.9	\$ 497.9	\$ (440.3)	\$ 779.5
Comprehensive income from continuing operations	\$ 704.2	\$ 531.1	\$ (531.1)	\$ 704.2	\$ 480.2	\$ (417.4)	\$ 767.0
Comprehensive income (loss) from discontinued operations	17.7	-	-	17.7	17.7	(22.9)	12.5
Comprehensive income	\$ 721.9	\$ 531.1	\$ (531.1)	\$ 721.9	\$ 497.9	\$ (440.3)	\$ 779.5
Attributable to non-controlling interest	\$ -	\$ -	\$ -	\$ -	\$ 57.6	\$ -	\$ 57.6
Attributable to common shareholders	\$ 721.9	\$ 531.1	\$ (531.1)	\$ 721.9	\$ 440.3	\$ (440.3)	\$ 721.9
(a) Net of tax of	(0.9)	-	-	(0.9)	(2.8)	-	(3.7)
(b) Net of tax of	-	-	-	-	-	-	-
(c) Net of tax of	-	(19.8)	-	(19.8)	-	-	(19.8)
(d) Net of tax of	-	(10.8)	-	(10.8)	-	-	(10.8)

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

Consolidating statement of cash flows for the nine months ended September 30, 2012

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings from continuing operations	\$ 438.8	\$ 370.9	\$ (370.9)	\$ 438.8	\$ 919.6	\$ (925.4)	\$ 433.0
Adjustments to reconcile net earnings from continuing operations to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	4.8	192.1	-	196.9	284.4	-	481.3
(Gains) losses on acquisition/disposition of assets and investments - net	(0.1)	(0.2)	-	(0.3)	1.0	-	0.7
Equity in (gains) losses of associates and intercompany investments	(555.6)	(15.4)	370.9	(200.1)	4.7	200.1	4.7
Non-hedge derivative (gains) losses - net	(14.2)	-	-	(14.2)	7.8	-	(6.4)
Settlement of derivative instruments	-	(0.2)	-	(0.2)	48.7	-	48.5
Share-based compensation expense	28.8	-	-	28.8	-	-	28.8
Accretion expense	2.8	11.3	-	14.1	5.6	-	19.7
Deferred tax (recovery) expense	0.3	29.4	-	29.7	55.7	-	85.4
Foreign exchange (gains) losses and other	8.8	1.3	-	10.1	(31.5)	-	(21.4)
Changes in operating assets and liabilities:							
Accounts receivable and other assets	(2.3)	(27.3)	-	(29.6)	(25.2)	-	(54.8)
Inventories	-	(71.6)	-	(71.6)	(87.0)	-	(158.6)
Accounts payable and accrued liabilities	(16.3)	135.3	-	119.0	121.3	-	240.3
Cash flow provided from operating activities	(104.2)	625.6	-	521.4	1,305.1	(725.3)	1,101.2
Income taxes paid	(4.7)	(128.6)	-	(133.3)	(145.2)	-	(278.5)
Net cash flow of continuing operations provided from operating activities	(108.9)	497.0	-	388.1	1,159.9	(725.3)	822.7
Net cash flow of discontinued operations provided from (used in) operating activities	-	-	-	-	(47.6)	-	(47.6)
Investing:							
Additions to property, plant and equipment	(6.8)	(529.4)	-	(536.2)	(876.4)	-	(1,412.6)
Net proceeds from the sale of long-term investments and other assets	0.2	-	-	0.2	-	-	0.2
Additions to long-term investments and other assets	(1.3)	-	-	(1.3)	(16.8)	-	(18.1)
Net proceeds from the sale of property, plant and equipment	-	0.2	-	0.2	0.2	-	0.4
Disposals (additions) of short-term investments	(749.6)	-	-	(749.6)	1.3	-	(748.3)
Note received from Harry Winston	-	-	-	-	-	-	-
Increase (decrease) in restricted cash	-	1.2	-	1.2	(6.2)	-	(5.0)
Interest received	0.8	0.4	-	1.2	2.1	-	3.3
Other	-	(0.2)	-	(0.2)	0.4	-	0.2
Net cash flow of continuing operations provided from (used in) investing activities	(756.7)	(527.8)	-	(1,284.5)	(895.4)	-	(2,179.9)
Net cash flow of discontinued operations provided from (used in) investing activities	-	-	-	-	198.9	-	198.9
Financing:							
Issuance of common shares on exercise of options and warrants	4.7	-	-	4.7	-	-	4.7
Acquisition of CMGC 25% non-controlling interest	-	-	-	-	-	-	-
Proceeds from issuance of debt	996.1	438.7	-	1,434.8	2.3	-	1,437.1
Repayment of debt	-	(467.4)	-	(467.4)	(0.1)	-	(467.5)
Interest paid	(1.4)	(0.6)	-	(2.0)	(4.5)	-	(6.5)
Dividends received from / (paid to) common shareholders	122.7	(98.0)	-	24.7	(932.3)	725.3	(182.3)
Settlement of derivative instruments	-	-	-	-	-	-	-
Intercompany advances and other	(941.7)	296.7	-	(645.0)	640.0	-	(5.0)
Net cash flow of continuing operations provided from (used in) financing activities	180.4	169.4	-	349.8	(294.6)	725.3	780.5
Net cash flow of discontinued operations used in financing activities	-	-	-	-	(0.6)	-	(0.6)
Effect of exchange rate changes on cash and cash equivalents of continuing operations	-	-	-	-	(0.3)	-	(0.3)
Increase (decrease) in cash and cash equivalents	(685.2)	138.6	-	(546.6)	120.3	-	(426.3)
Cash and cash equivalents, beginning of period	1,062.7	232.0	-	1,294.7	471.3	-	1,766.0
Cash and cash equivalents, end of period	\$ 377.5	\$ 370.6	\$ -	\$ 748.1	\$ 591.6	\$ -	\$ 1,339.7

KINROSS GOLD CORPORATION

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

(Unaudited and expressed in millions of United States dollars)

Consolidating statement of cash flows for the nine months ended September 30, 2011

	Guarantors				Non-guarantors	Eliminations	Consolidated
	Kinross Gold Corp.	Guarantor Subsidiaries	Guarantor Adjustments	Total Guarantors			
Net inflow (outflow) of cash related to the following activities:							
Operating:							
Net earnings from continuing operations	\$ 692.4	\$ 614.7	\$ (614.7)	\$ 692.4	\$ 347.9	\$ (285.1)	\$ 755.2
Adjustments to reconcile net earnings from continuing operations to net cash provided from (used in) operating activities:							
Depreciation, depletion and amortization	3.7	185.9	-	189.6	247.1	-	436.7
(Gains) losses on acquisition/disposition of assets and investments - net	(30.3)	(1.6)	-	(31.9)	0.2	-	(31.7)
Equity in (gains) losses of associates and intercompany investments	(645.6)	(243.0)	614.7	(273.9)	1.4	273.9	1.4
Non-hedge derivative (gains) losses - net	(150.7)	37.7	-	(113.0)	68.3	-	(44.7)
Settlement of derivative instruments	-	-	-	-	(112.8)	-	(112.8)
Share-based compensation expense	27.2	-	-	27.2	-	-	27.2
Accretion expense	24.3	11.9	-	36.2	4.2	-	40.4
Deferred tax (recovery) expense	0.9	45.9	-	46.8	(25.6)	-	21.2
Foreign exchange (gains) losses and other	1.4	6.8	-	8.2	(5.5)	-	2.7
Changes in operating assets and liabilities:							
Accounts receivable and other assets	3.3	(30.4)	-	(27.1)	(114.7)	-	(141.8)
Inventories	-	(62.7)	-	(62.7)	(33.7)	-	(96.4)
Accounts payable and accrued liabilities	10.4	134.5	-	144.9	236.4	-	381.3
Cash flow provided from operating activities	(63.0)	699.7	-	636.7	613.2	(11.2)	1,238.7
Income taxes paid	-	(118.3)	-	(118.3)	(144.2)	-	(262.5)
Net cash flow of continuing operations provided from operating activities	(63.0)	581.4	-	518.4	469.0	(11.2)	976.2
Net cash flow of discontinued operations provided from (used in) operating activities	-	-	-	-	22.6	-	22.6
Investing:							
Additions to property, plant and equipment	(5.3)	(467.1)	-	(472.4)	(578.9)	-	(1,051.3)
Net proceeds from the sale of long-term investments and other assets	101.1	-	-	101.1	-	-	101.1
Additions to long-term investments and other assets	(12.8)	(1.2)	-	(14.0)	(110.6)	-	(124.6)
Net proceeds from the sale of property, plant and equipment	-	1.4	-	1.4	0.4	-	1.8
Disposals (additions) of short-term investments	-	-	-	-	(1.8)	-	(1.8)
Note received from Harry Winston	70.0	-	-	70.0	-	-	70.0
Increase (decrease) in restricted cash	(11.2)	(4.3)	-	(15.5)	(0.3)	-	(15.8)
Interest received	4.4	1.6	-	6.0	0.4	-	6.4
Other	(3.0)	-	-	(3.0)	(0.2)	-	(3.2)
Net cash flow of continuing operations provided from (used in) investing activities	143.2	(469.6)	-	(326.4)	(691.0)	-	(1,017.4)
Net cash flow of discontinued operations provided from (used in) investing activities	-	-	-	-	(20.9)	-	(20.9)
Financing:							
Issuance of common shares on exercise of options and warrants	26.8	-	-	26.8	-	-	26.8
Acquisition of CMGC 25% non-controlling interest	-	-	-	-	(335.4)	-	(335.4)
Proceeds from issuance of debt	980.9	348.2	-	1,329.1	-	-	1,329.1
Repayment of debt	-	(382.6)	-	(382.6)	-	-	(382.6)
Interest paid	(8.1)	(1.5)	-	(9.6)	(0.1)	-	(9.7)
Dividends received from / (paid to) common shareholders	(124.8)	-	-	(124.8)	(11.2)	11.2	(124.8)
Settlement of derivative instruments	165.2	-	-	165.2	(208.8)	-	(43.6)
Intercompany advances and other	(98.7)	(742.3)	-	(841.0)	834.8	-	(6.2)
Net cash flow of continuing operations provided from (used in) financing activities	941.3	(778.2)	-	163.1	279.3	11.2	453.6
Net cash flow of discontinued operations used in financing activities	-	-	-	-	(2.6)	-	(2.6)
Effect of exchange rate changes on cash and cash equivalents of continuing operations	-	-	-	-	(3.5)	-	(3.5)
Increase (decrease) in cash and cash equivalents	1,021.5	(666.4)	-	355.1	52.9	0.0	408.0
Cash and cash equivalents, beginning of period	151.9	1,052.5	-	1,204.4	262.2	-	1,466.6
Cash and cash equivalents, end of period	\$ 1,173.4	\$ 386.1	\$ -	\$ 1,559.5	\$ 315.1	\$ 0.0	\$ 1,874.6