

NEWS RELEASE

Kinross presents Prime Minister Putin with strategy to increase mining investments

Russia could become a global leader in mineral investments with modest changes in regulatory and investment policies

Moscow, October 18, 2011 – A new study prepared by Kinross Gold Corporation suggests that a series of relatively modest regulatory reforms could help the Russian Federation realize its potential to attract \$1.6 billion annually in mineral exploration investment.

The comprehensive study on fostering foreign investment in mineral exploration and development in Russia was presented by Kinross President and CEO Tye Burt to Prime Minister Vladimir Putin at the Annual Plenary meeting of the Foreign Investment Advisory Council (FIAC) on October 17. Kinross is a Canadian-based gold mining company with operations in Russia's Far East.

"Global competition to attract foreign investment in exploration and mining is fierce. We hope that this study will assist Russian policymakers and regulators in assessing the dynamics of attracting foreign direct investment in exploration and mining," noted Mr. Burt. "With minimal adjustments in current policies and regulations, Russia could attract levels of investment that would be more in line with its tremendous potential as a global leader in mineral exploration and development. Russia could also then develop a vibrant domestic and international capital market for financing mineral exploration and mining."

The study prepared by Kinross provides a series of specific recommendations for consideration by Russia's policy makers, including those relating to strategic sectors, property rights, financial reform, taxation policy, and mineral resource classification systems, among others. The study concludes: "By introducing some relatively minor improvements to existing legislation, and providing greater protection and predictability for investors, Russia has the unparalleled opportunity to significant increase domestic exploration and mining investment, as well as the potential to become a world centre for mining finance."

Sergei Guriev, economist and Rector of the New Economic School, commented: "According to the paper, if Russia creates conditions for mining investments similar to those in Canada, mining investments in Russia could potentially increase six-fold. While this of course depends on a number of factors, we hope the Russian government will consider all of the recommendations contained within the paper and be spurred to take decisive steps to boost FDI in the sector."

Valery Braiko, chairman of the Gold Industrialists' Union, said: "We welcome Kinross Gold's recommendations. We have long been saying that improvements are needed to the business climate in the mining industry and fully support any legislative move to increase the strategic deposit threshold to 250 tons from the current 50."

In developing the report, Kinross relied on its successful \$2 billion investment and operations in the gold mining sector in Russia, as well as an analysis of current practices in Canada and other countries that are actively attracting foreign investment in mining. Kinross developed its analysis and recommendations following a discussion with the Prime Minister at last year's Plenary Session of FIAC.



TSX: K NYSE: KGC

About Kinross Gold Corporation

Kinross is a Canadian-based gold mining company with mines and projects in Brazil, Canada, Chile, Ecuador, Ghana, Mauritania, Russia and the United States and employs approximately 7,500 people worldwide.

Kinross has been operating in Russia since 1995. It is the largest foreign investor in the country's gold mining industry, as well as the largest Canadian investor in the Russian economy and one of the largest taxpayers in the Russian Far East. Since entering the Russian market, Kinross has invested some \$2 billion in the local economy.

Kinross Gold owns gold deposits in the Chukotka autonomous region, including 100% of the Kupol deposit and 100% interests in the Dvoynoye deposit and the Vodorazdelnaya plot, which are located 100km north of Kupol. Since 2008, the company has extracted over 2 million ounces of gold and 20 million ounces of silver in Russia.

The company operates in line with international best practices in health, safety and the environment at all of its enterprises.

Kinross maintains listings on the Toronto Stock Exchange (symbol:K) and the New York Stock Exchange (symbol:KGC).

About FIAC

The Foreign Investment Advisory Council (FIAC) was established in 1994 as a result of the combined efforts of the Russian government and foreign businesses to improve the investment climate in Russia.

The key task of the council is to assist Russia in forging and promoting a favourable investment climate based on global expertise and the experience of international companies operating in Russia.

FIAC functions on the basis of direct dialogue between the chief executives of investor companies and the Russian government, with a focus on the crucial aspects of fostering a healthy investment climate.

The council is chaired by the Russian Prime Minister and includes CEOs from 42 international companies and banks, including Kinross.

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