



# The CIS Precious Metals and Stones Summit



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*Moscow*  
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*All dollar amounts used throughout this presentation are expressed in US dollars, unless otherwise noted.*



# Overview

- **Kinross Gold Corporation**
- **Kinross in Russia**
- **Why Russia?**
- **Kinross Strategic Considerations**



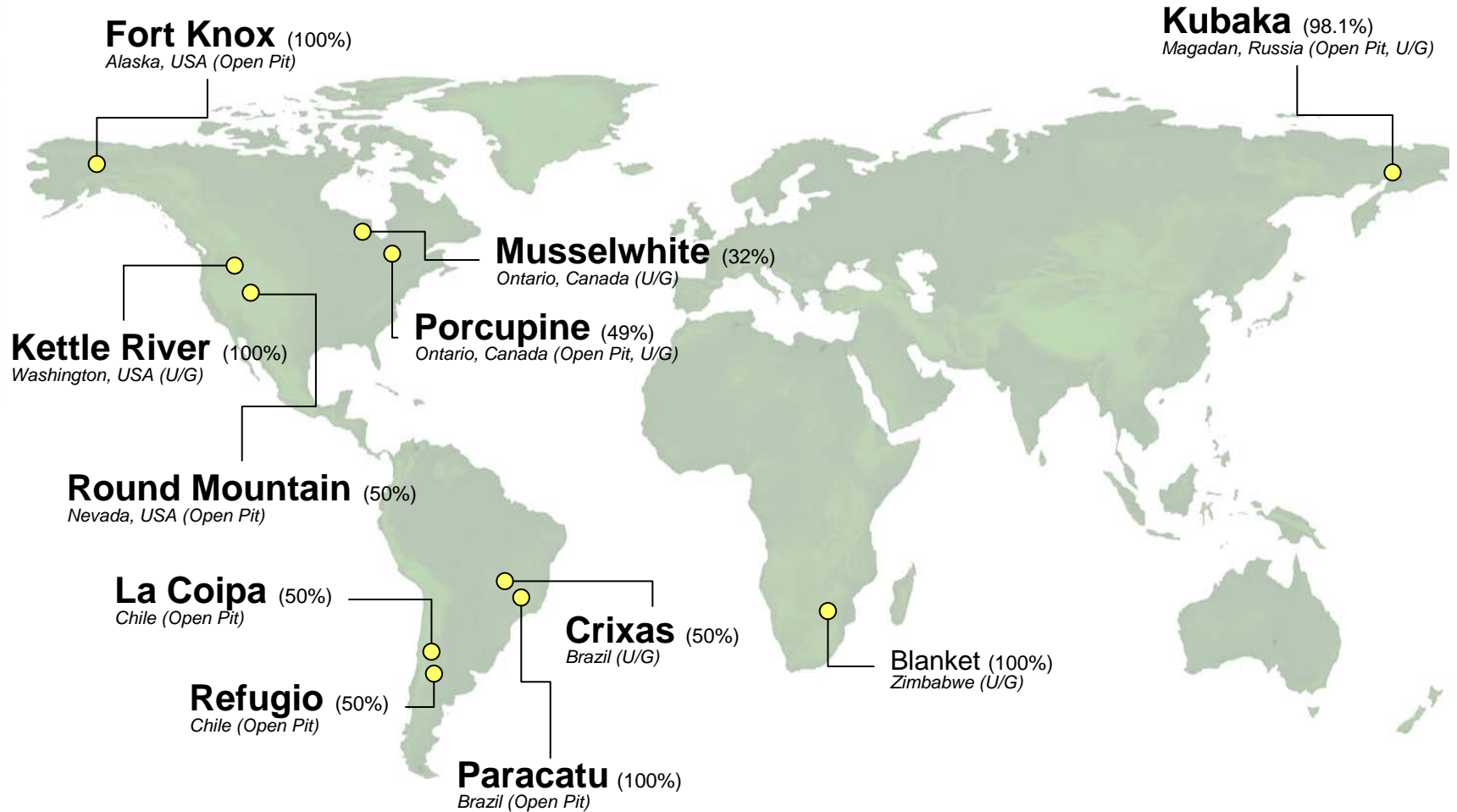
# ***Kinross Gold Corporation***



# Kinross: A Major Gold Producer

- **4<sup>th</sup> largest North American-based gold producer**
  - \$4.5 billion market value – top performer past 6 months relative to peers
  - NYSE and TSE listed – recent volume of 6 million shares per day
- **2005 estimate**
  - Gold production – 52 tonnes (1.6 MM oz)
  - Total Cash Costs – est. \$275 per ounce
- **A global company**
  - 10 mines located in North America, Brazil, Chile and Russia
  - 4,000 employees
- **Continuing gold reserve growth**
  - 626 tonnes (19.4 MM oz) at Dec. 31/04 (*\$350/oz Au*)
  - Additional 155 tonnes (4.8 MM oz) of reserves at Paracatu (*Oct. 31/05; \$400/oz Au*)

# Americas Focus, Global Reach





## ***Kinross in Russia***



# Kinross in Russia



## Omolon Gold<sup>1</sup>

- Kinross<sup>2</sup> first visited **Russia in 1990**
- In mid-1993, Omolon won bid for the **Kubaka**
- Located in the **Magadan Oblast** about 300 km south of the Arctic Circle, 700 km northeast of Magadan



Notes: (1) 98.1% owned Kinross subsidiary, (2) As predecessor company, Amax Gold



# Kinross in Russia

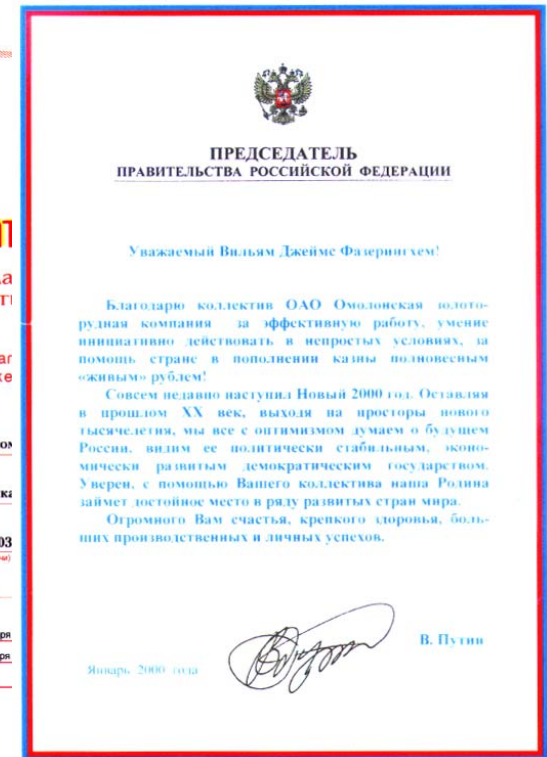
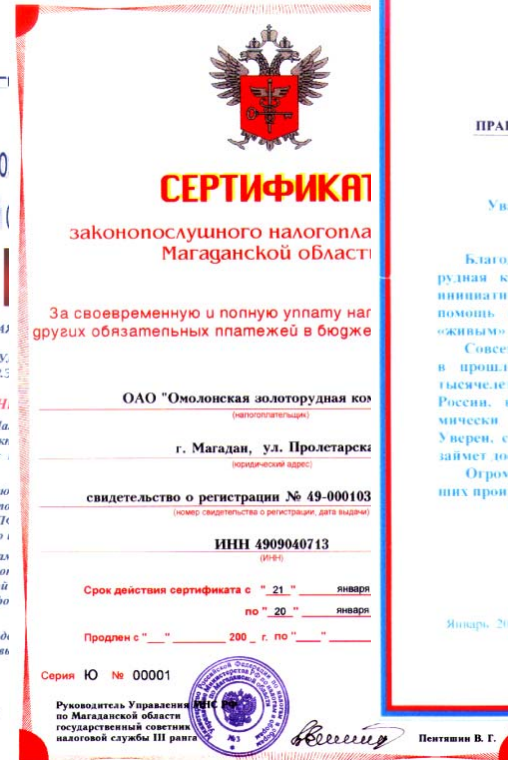
## Kubaka Mine

- Opened in **early 1997**
- Biggest gold mining operation in Russia in the late 1990s
- From 1997 to 2005, Kubaka produced **93 tonnes of gold**
- Mining now completed; currently **processing low grade stockpiles**



# Kinross in Russia

- A well regarded corporate citizen





# Kinross in Russia

## Focus on Exploration

- 416 staff at YE05; **81 in exploration**
- **2006** planned activities:
  - Kubaka reclamation
  - Evaluation of Birkachan low grade heap leach potential
  - Expanded exploration program – **30,500 meters drilling in Magadan Oblast**

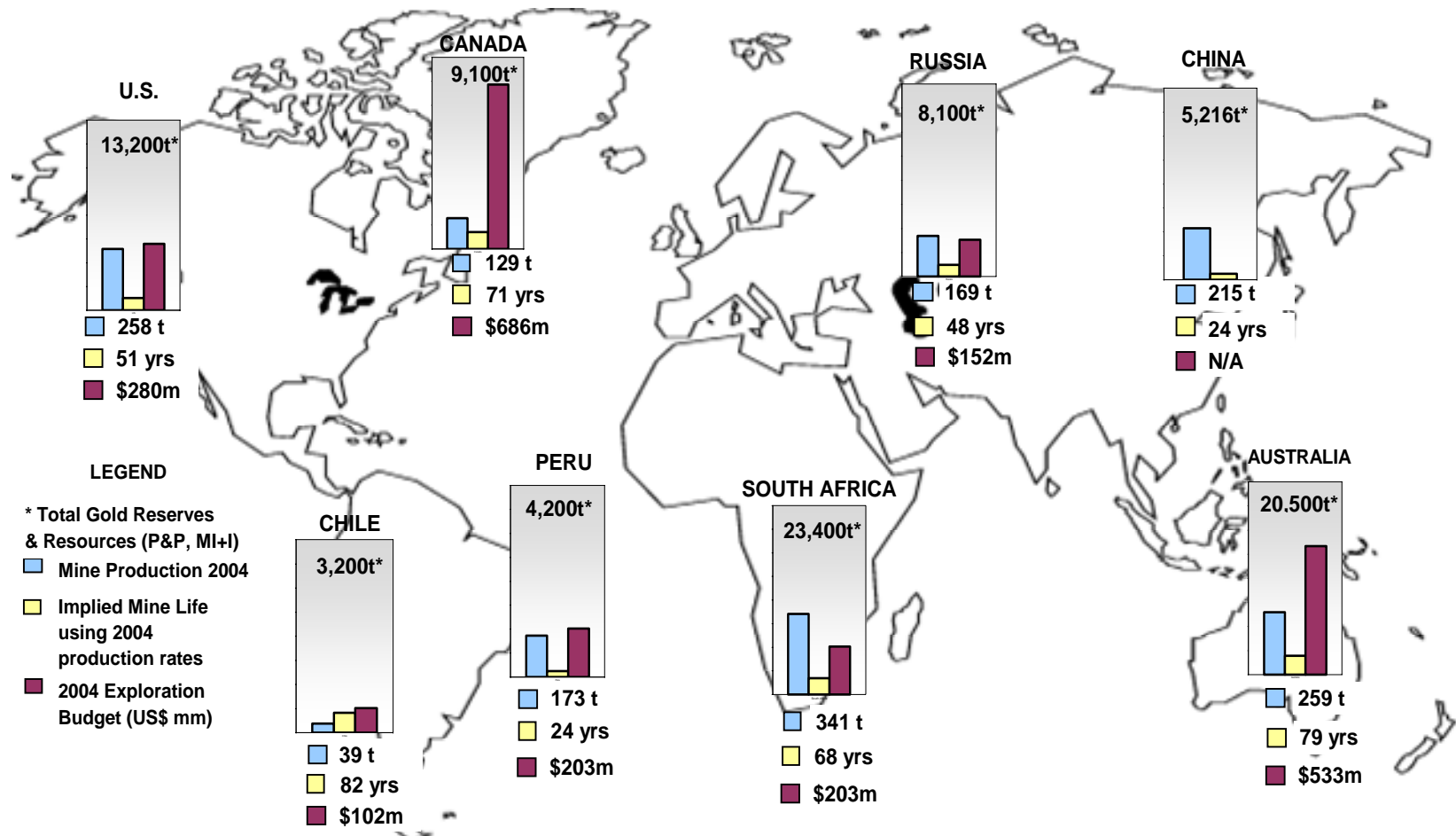




## ***Why Russia?***

# Why do we like Russia?

- Home to 5<sup>th</sup> largest gold resource in the world

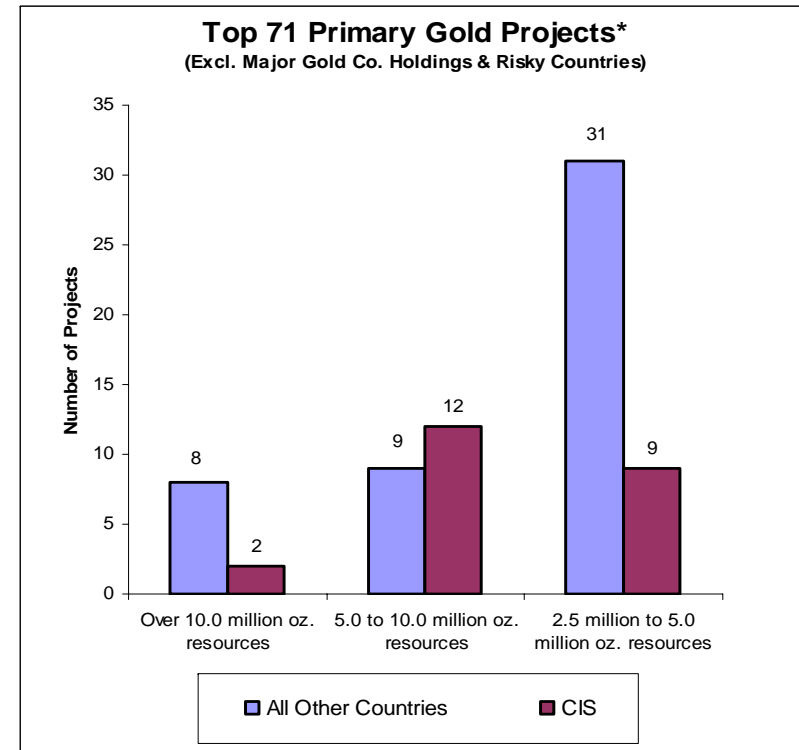
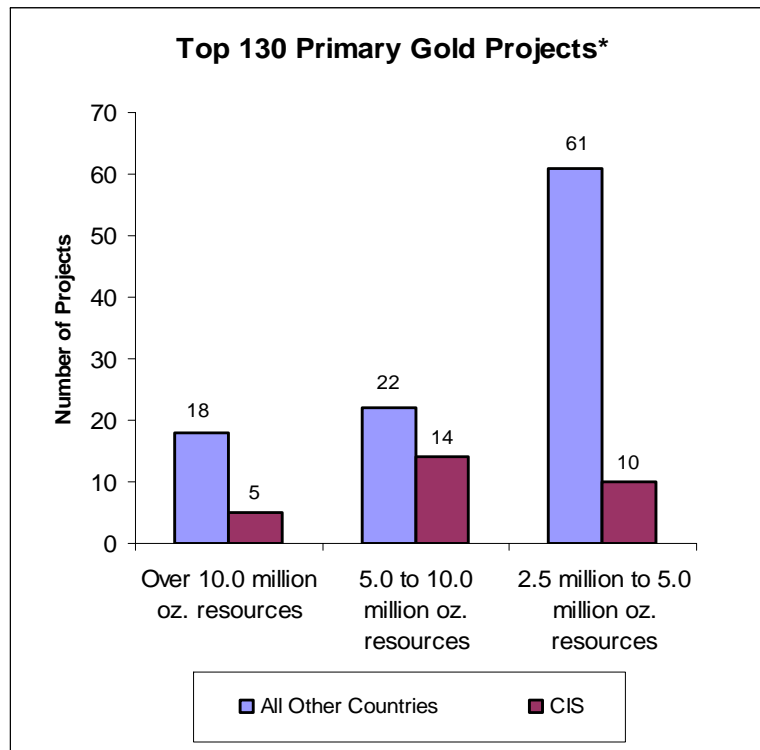


Source: Metals Economics Group, USGS, Kinross estimates

# Top Undeveloped Gold Projects

- 130 undeveloped primary gold projects over 2.5 MM oz Au, **22%** located in CIS

- Excluding those controlled by major gold companies or in high risk countries, **32%** located in CIS



Source: Metals Economics Group, Kinross estimates, \*Pre-production and earlier stage projects, primary metal Au

# Contrasting Regions



## Russia

- **Strong and stable federal government**
- **Growing economy**; relatively **high inflation**; stable exchange rate
- **Powerful domestic competitors** – Norilsk/Polyus, PolyMetal, etc.
- Maturing **legal framework**, not consistently applied outside Moscow
- **Competitive environment for specialists** and other qualified personnel
- **State involvement** in M&A; uncertain **definition of strategic deposits**
- **Cost of doing business** for a North American company in Russia
- **Rigidity of State Balance requirements** – not driven by economics



# Contrasting Regions



## Chile

- **Progressive political system**; new president promises to sustain growth
- **Strong, growing economy**; modest level of inflation; appreciating Peso
- Many **state institutions privatized**; Codelco is one significant exception
- **Highly competitive**; but activity of intermediate and juniors net positive
- **Open market**; equal treatment of foreigners and nationals
- **Importance of mining industry** to domestic agenda – +/-40% of exports
- **Well developed infrastructure**; fully **developed banking system**
- **Familiarity with global companies** – commercial, regulatory, language

# Contrasting Regions



## Brazil

- **Popular President** marred by scandals; **elections** in October 2006
- **Resource dominated export economy boom**; high inflation
- **High interest rates**; **appreciating Real** – impact on costs, planning
- **Kinross presence** – produces +/-30% of Brazil's primary Au production
- **Skilled workforce**; **low turnover**; limited mobility
- **Crime rates** in major Brazilian cities is a concern
- **Benefits of significant state investments** – power, transport, water
- **FTAA initiative** – \$3.2 billion in annual Brazil-Canada bilateral trade



## ***Kinross Strategic Considerations***

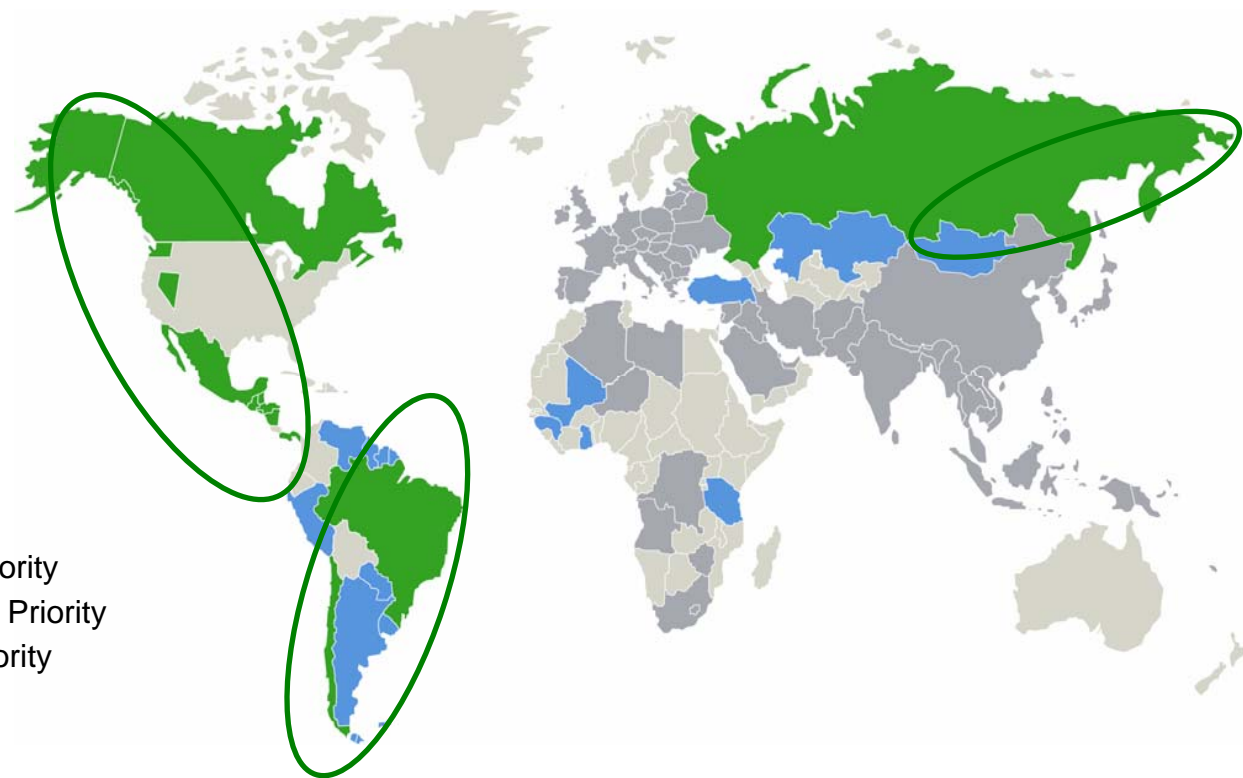
# Kinross Strategic Focus

- Growth from Core Operating assets
- Exit non-core assets
- Focus on quality mines, Kinross as operator
- Enhanced greenfield/district exploration
- Corporate development through acquisitions



# Corporate Geographic Priorities

- **Geographic focus** on the Americas and select other regions







# Corporate Acquisition Criteria

- **Focus on precious metals** (gold and silver)
- **Cornerstone assets**
- **High margin projects** that offer operating flexibility
- Emphasis on mid-stage or better **development assets**
- Emphasis on **district exploration potential**
- Ability to enhance the Corporation's **sustainability**
- Kinross **competitive advantage**
- Metrics: **NAVPS** and **CFPS**



# Pursuing Opportunities in Russia

- Kinross **reinitiated corporate development** activities in Russia in 2005
- Proceeding **carefully**
- **Key issues:**
  - Competition
  - Transparency of process
  - Ability to complete 'western style' due diligence
  - Kinross shareholders' desire for balance in the portfolio
  - Price expectations

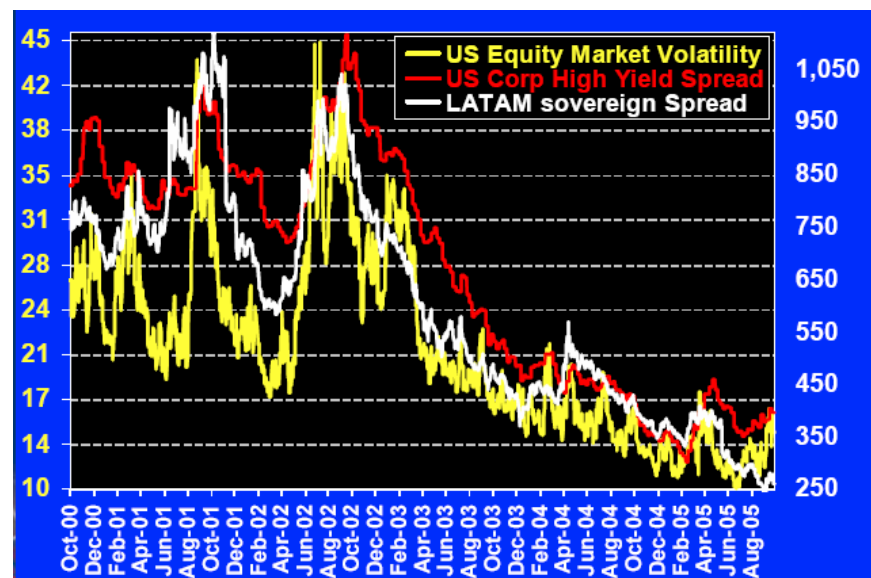


# Market Commentary

## Russian Discount

- **One year forward P/E's<sup>1</sup>:**
  - Russian Index – 8.7x
  - Brazil Index – 11.6x
  - N.A. Indices – 17.4x
- **Gold Sector P/NAVs<sup>2</sup>**
  - Companies with CIS exposure – 1.8x NAV
  - N.A. Golds – 2.4x NAV

## Market's Tolerance for Risk



Source: Scotia Capital Emerging Market Research

Notes: (1) Datastream and Bloomberg (January 27, 2006), (2) Street Research Averages by Merrill Lynch



# Closing Comments

- There are **tremendous opportunities** in the CIS
- Kinross is **experienced** in the region
- We manage risks by taking a **disciplined** approach to corporate development
- With success, the region will be as much a part of our **future** as it has been a part of our **past**



**Shares outstanding:** 345.3 million

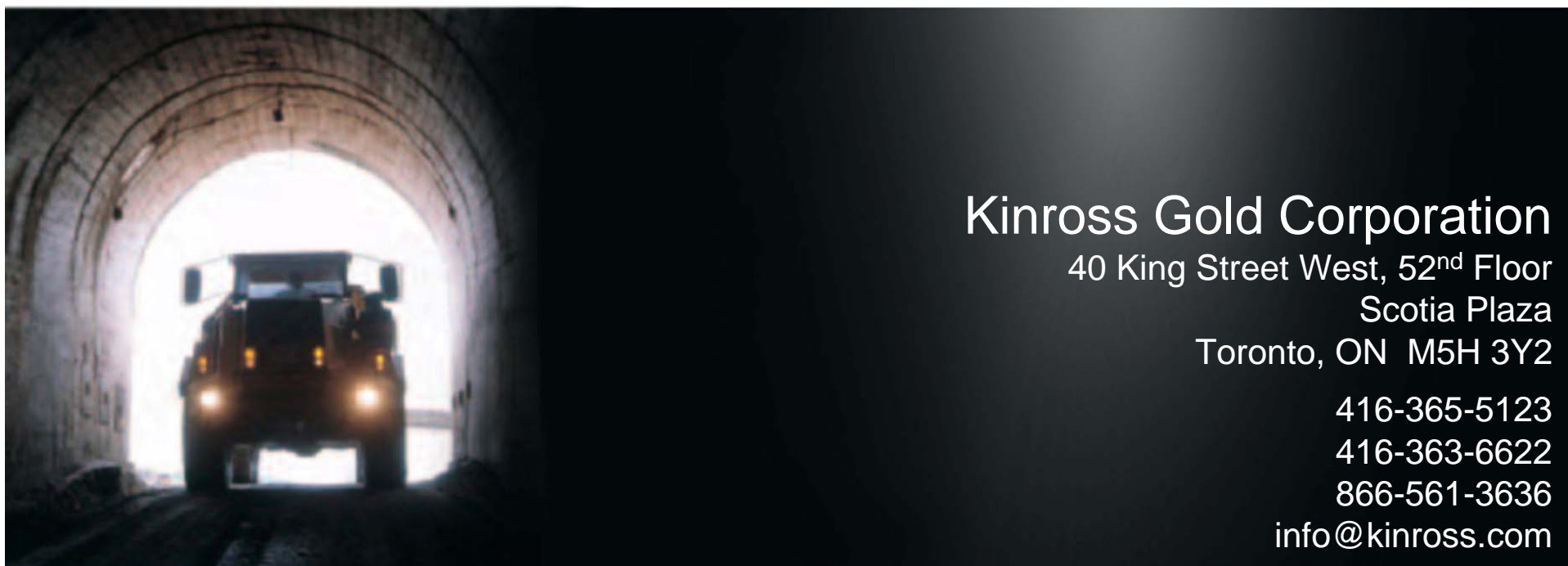
**Market cap.:** US\$4.5 billion *(at Feb. 1, 2006)*

**KGC: NYSE** *(Common shares)*

**K: TSX** *(Common shares)*

**K.U: TSX** *(US dollar trading symbol)*

**K.WT: TSX** *(Warrants expiring 05/12/07)*



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