

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**E. EDDY BAYENS, JOHN SINCLAIR, LUC FORTIN, PIERRE RACICOT and  
STANLEY SHORTT, in their capacity as TRUSTEES OF THE MUSICIANS'  
PENSION FUND OF CANADA**

Plaintiffs

- and -

**KINROSS GOLD CORPORATION, TYE W. BURT, PAUL H. BARRY,  
GLEN J. MASTERMAN and KENNETH G. THOMAS**

Defendants

Proceedings under the *Class Proceedings Act, 1992*

**AMENDED STATEMENT OF CLAIM  
(Notice of Action issued March 12, 2012)**

I. The plaintiffs claim:

- (a) an order certifying this action as a class proceeding pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c. 6 and appointing the plaintiffs as representative plaintiffs for the Class;
- (b) a declaration that the defendants failed to make timely disclosure of materially adverse changes and made misrepresentations (as defined for the purposes of Part XXIII.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "OSA") and Other Securities Legislation (defined below in paragraph 17) pertaining to the business and affairs of Kinross Gold Corporation;
- (c) an order granting leave to pursue claims for statutory misrepresentation under Part XXIII.1 of the *OSA*, or alternatively, Other Securities Legislation;
- (d) damages for negligent misrepresentation and statutory misrepresentation (as set out in Part XXIII.1 of the *OSA*, or alternatively, Other Securities Legislation) in the amount of \$4 billion, or such other sum as this Honourable Court may find appropriate;

AMENDED THIS March 12, 2012 PURSUANT TO CONFORMEMENT A  
 MODIFIÉ CE 12 Mars 2012 CONFORMÉMENT A  
 RULE/LA RÉGLE 26.02 ( b )  
 THE ORDER OF L'ORDONNANCE DU  
 DATED / FAIT LE 12 Mars 2012  
 .....  
 REGISTRAR GREFFIER  
 SUPERIOR COURT OF JUSTICE TRIBUNAL SUPÉRIEUR DE JUSTICE

- (e) a declaration that the defendant Kinross Gold Corporation is vicariously liable for the acts and omissions of the individual defendants;
- (f) prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
- (g) costs of the action on a substantial indemnity basis;
- (h) the costs of notice and of administering the plan of distribution of the recovery in this action, plus applicable taxes; and
- (i) such further and other relief as to this Honourable Court may seem just.

### **Overview**

2. Billions of dollars in shareholder value was wiped out on January 16, 2012 when the defendant Kinross Gold Corporation (“Kinross”) announced it expected to record a material accounting charge, primarily related to the goodwill recorded for its Tasiast mine in Mauritania, Africa. Kinross subsequently announced a \$2.94 billion write down made up of \$2.49 billion for its Tasiast mine and \$447.5 million for its Chirano mine in Ghana, Africa.

3. Kinross had acquired both of these mines in September 2010 as part of a US\$7.1 billion acquisition of Red Back Mining Inc. (“Red Back”). Since the acquisition, Kinross had undertaken a drilling program to assess the mineral wealth at the Tasiast mine.

4. Throughout the Class Period, the defendants made misrepresentations relating to the Tasiast mine and Chirano mine in that: (a) they consistently overstated the value of goodwill for the mines by failing to record an impairment charge; (b) they misstated the grade of gold ore at the mines; and (c) Kinross’s mineral reserves and resource estimates were inaccurate or objectively unreasonable.

5. Further, the defendants failed to disclose that its drilling program had revealed high amounts of low-grade ore at the Tasiast mine and the negative results of Kinross's drilling program at the mine.

6. Instead, the defendants provided positive updates on the drilling program at the Tasiast mine. The defendants stated that the results from the drilling program were meeting or exceeding expectations and allowed Kinross to add to its overall mineral resource estimate. This was false and misleading.

7. On January 16, 2012, Kinross could no longer withhold the truth regarding the mines it had acquired from Red Back. Kinross issued a press release indicating that the Tasiast mine would require significant capital expenditures since drilling had revealed lower grade ore and that Kinross expected to record a material non-cash accounting charge, primarily related to the goodwill recorded for the Tasiast mine.

8. This announcement had a significant adverse impact on Kinross shares. The share price dropped from \$13.20 per share on January 16, 2012 to \$10.17 on January 19, 2012. This amounted to more than \$3.4 billion in lost shareholder value.

9. On February 15, 2012, Kinross issued a press release announcing its results for the fourth quarter of 2011. It disclosed that Kinross's reported net loss for 2011 included a non-cash goodwill impairment charge of \$2.49 billion for the Tasiast mine and \$447.5 million for the Chirano mine.

10. In other words, despite repeatedly positive statements regarding the Red Back mines, Kinross made an abrupt 53% downward adjustment to the goodwill value for the mines.

**Parties**

11. The plaintiffs are E. Eddy Bayens, John Sinclair, Luc Fortin, Pierre Racicot and Stanley Shortt, the Trustees of the Musicians' Pension Fund of Canada. The pension fund is located in Toronto, Ontario. In their capacity as trustees for the pension fund, ~~T~~the plaintiffs purchased thousands of Kinross shares during the Class Period on the Toronto Stock Exchange. On January 16, 2012, the last day of the class period, the plaintiffs held 150,156 shares on behalf of the pension fund.

12. The defendant, Kinross Gold Corporation, is a mining company headquartered in Toronto, Ontario. It is incorporated under the laws of Ontario and is a reporting issuer whose shares trade on the Toronto Stock Exchange and the New York Stock Exchange.

13. The defendant, Tye W. Burt, has been Kinross's president, chief executive officer and a director since joining Kinross in 2005.

14. The defendant, Paul H. Barry, has been Kinross's chief financial officer and an executive vice-president since March 31, 2011.

15. The defendant, Glen J. Masterman, was senior vice-president of exploration during the Class Period.

16. The defendant, Kenneth G. Thomas, was appointed senior vice-president of projects in December 2009 and held that position throughout the Class Period.

17. The individual defendants were all officers during the Class Period within the meaning of the *OSA* and the Other Securities Legislation.<sup>1</sup>

18. The plaintiffs bring this action pursuant to the *Class Proceedings Act, 1992* on their own behalf and on behalf of all persons or entities, other than Excluded Persons, who purchased or otherwise acquired Kinross shares during the period from February 16, 2011 through and including January 16, 2012 (“Class Period”)

- (a) on the Toronto Stock Exchange or other secondary market in Canada; or
- (b) who are resident of Canada or were resident of Canada at the time of acquisition (collectively, the “Class” or “Class Members”).

19. Excluded from the Class are the defendants, the officers and directors of Kinross during relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which the defendants have or had a controlling interest (the “Excluded Persons”).

### **Mining Disclosure In Canada**

20. Disclosure for mining companies such as Kinross are subject to strict regulatory standards. These standards are set out in National Instrument 43-101 (NI 43-101), adopted by the Ontario Securities Commission and the other securities commissions across Canada.

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<sup>1</sup> *Securities Act*, R.S.B.C. 1996, c.418, s.1(1); *Securities Act*, R.S.A. 2000, c. S-4, s.1(1); *Securities Act, 1988*, S.S. 1988-89, c. S-42-2, s.2(1)(gg); *Securities Act*, C.C.S.M. c.S50, s.1(1); *Securities Act*, R.S.Q., c. V-1.1, title I, ch.II, s.5; *Securities Act*, S.N.B. 2004, c. S-5.5, s.1(1); *Securities Act*, R.S.N.S. 1989, c. 418, s.2(1)(ac); *Securities Act*, R.S.N.L. 1990, c. S-13, s.2(1)(dd); *Securities Act*, R.S.P.E.I. 1988, c. S-3.1, 1(nn), *Securities Act*, S.Y. 2007, c. 16, s.1(1); *Securities Act*, S.N.W.T. 2008, c. 10, s.1(1), *Securities Act*, S.Nu. 2008, c. 12, s.1(1) (collectively the “Other Securities Legislation”).

21. These strict standards were adopted in response to a number of scandals in the 1990s relating to the securities of mining companies. These scandals shook public confidence in the mining industry and the reliability of disclosure. The Bre-X scandal was the most notorious.
22. The regulatory standards focus on the need for good public disclosure. The Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) adopted standard definitions for terms to describe mineral reserves and mineral resources. These terms are incorporated into NI-43-101 and are mandatory terms for mining companies in their public disclosure.
23. The CIM Standards define the following key terms for mining disclosure:

**Mineral Resource:** is a concentration or occurrence of mining resources such as diamonds or precious metals that has reasonable prospects for economic extraction. There are three mineral resource definitions: Inferred, Indicated and Measured.

Inferred Mineral Resource: this is the part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity.

Indicated Mineral Resource: this is the part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Measured Mineral Resource: this is the part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through

appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

**Mineral Reserve:** the economically mineable part of a Measured or Indicated Mineral Resource. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Probable Mineral Reserve: this is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource.

Proven Mineral Reserve: this is the economically mineable part of a Measured Mineral Resource.

24. The full text of the definitions from the CIM Standards is found at **Schedule “A”** to this claim.

### **The Acquisition Of The Tasiast And Chirano Mines**

25. On August 2, 2010, Kinross and Red Back announced that their respective boards of directors had unanimously approved a merger through a plan of arrangement under section 192 of the *Canada Business Corporations Act*. The arrangement provided that Kinross would acquire all of the outstanding common shares of Red Back that Kinross did not already own.

26. The total value of the proposed transaction was approximately US\$7.1 billion and would give Kinross a 100% interest in Red Back’s Tasiast mine in Mauritania and a 90% in Red Back’s Chirano mine in Ghana<sup>2</sup>.

27. Even at this early stage, Kinross emphasized that the potential upside for the Red Back mines were beyond analyst production estimates:

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<sup>2</sup> The remaining 10% was held by the Government of Ghana.

Based on analyst consensus production estimates for Kinross and Red Back, forecast *pro forma* gold production for the combined company would be approximately 3.9 million ounces in 2015. Kinross believes there is significant upside potential for Red Back's assets beyond this estimate, based on its evaluations and the potential for exploration and production expansion. [emphasis added]

28. On August 16, 2010, Kinross issued a management information circular in which its directors recommended that shareholders vote in favour of the arrangement. Kinross stated that that the Tasiast mine was (a) a “world-class growth property”; and (b) “contains significant potential beyond the current level of proven and probable mineral reserves which, if realized, would have a transformational impact on Kinross’s growth and production profile.”

29. On September 2, 2010, Kinross issued a supplement to the management information circular. It announced that Kinross would be undertaking a scoping study of the Tasiast mine to be completed by December 2010 and a feasibility study to be completed by July 2011. These studies were designed to determine the nature and extent of the Tasiast ore body.

30. On September 7, 2010, Kinross issued a press release providing an updated conceptual estimate of the mineral resources at the Tasiast property. Measured and indicated mineral resources at Tasiast had increased by approximately 2.74 million gold ounces, and inferred mineral resources had increased by 0.63 million ounces, “a remarkable rate for mineral resource additions”. Tye Burt added that “[w]e expect to add significant further new resources following the closing of the transaction, by increasing the number of drill rigs at Tasiast and accelerating the current drilling campaign”. This resource estimate “confirm[ed] Kinross’ view of Tasiast’s tremendous potential”.



31. On September 15, 2010, Kinross shareholders approved the arrangement with Red Back. On September 17, 2010, Kinross announced the completion of the arrangement.

### **Kinross's Early Drilling At The Tasiast Mine**

32. On November 3, 2010, Kinross released its Q3 2010 interim financial statements and . Kinross's management's discussion and analysis ("MD&A")<sup>3</sup> for the period ended September 30, 2010.

33. The accompanying press release reiterated the Tasiast mine's tremendous potential, reporting that updates to the Tasiast mineral resource model were already exceeding expectations and that it had added to the previous mineral resource estimate. Tye Burt stated that their work "continues to confirm Kinross's view of Tasiast's tremendous potential."

34. The Q3 2010 MD&A stated that Kinross scoping study of the Tasiast ore body was targeted for completion in December 2010 and that Kinross was in the process of selecting an engineering firm to undertake a feasibility study on the mine to be completed by mid-2011.

35. The Tasiast mine was to be a major focus of Kinross's exploration.

### **Kinross Made The Success Of The Tasiast Mine A Focus Of Its Disclosure**

36. Throughout the Class Period from February 16, 2011 to January 16, 2012, the defendants failed to disclose the negative results from its feasibility study and drilling program at the Tasiast mine. Instead, Kinross made increasingly positive statements regarding

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<sup>3</sup> Management's discussion and analysis (MD&A) is required by securities regulation and sets out management's view of the financial condition and performance of the company. It will also contain any discussion of the company's future prospects. It requires a balanced discussion of the company's affairs and is meant to assist current and prospective investors to understand the financial statements and other material information.

the Tasiast mine that were false or misleading. Kinross reported goodwill for the Tasiast and Chirano mines that significantly misrepresented the value of the mines. In addition, Kinross misstated the grade of gold ore at the mines and its mineral reserves and resource estimates were inaccurate or objectively unreasonable. **Schedule “B”** contains a list of Kinross’s misrepresentations.

37. The defendants’ misrepresentations focussed in particular on the Tasiast mine and its drilling program.

38. There were two major zones of known gold deposits at the Tasiast mine: the “Piment” zone and the “West Branch” zone. Kinross’s drilling program initially focused on extensive drilling at the West Branch zone. That drilling was 80% complete by the end of March 2011. However, in the second quarter of 2011 (April to June 2011), Kinross decided to expand its drilling program to the Piment zone.

39. The negative results of the drilling program at the Tasiast mine led to Kinross belatedly writing down the overstated goodwill in both the Tasiast and Chirano mines.

***Beginning Of The Class Period: 2010 Annual Financial Statements and MD&A***

40. On February 16, 2011, Kinross released its annual financial statements and MD&A for the year ended December 31, 2010. Kinross stated that it had completed a scoping study for the mine and that it was proceeding with its feasibility study to further explore the mineral deposit at the Tasiast mine. Kinross stated that it was continuing its aggressive exploration and drilling campaign at the Tasiast mine.

41. Kinross's MD&A, financial statements and its accompanying press release emphasized positive results at the Tasiast mine.

42. Kinross's press release stated that "Tasiast reserves and resources have grown significantly" since the fall of 2010 and that "gold grades are higher than expected". In the press release, Tye Burt stated that Kinross's work to date "confirms our view of its potential to become one of the world's great gold mines."

43. Kinross's annual MD&A and financial statements reflected this positive view of the Tasiast mine. The MD&A stated that "[d]uring the first eight years of operation [of the mine] average annual production is expected to be approximately 1.5 million gold equivalent ounces at an average cost of sales per ounce of approximately \$480-520, with an expected average gold grade of approximately 2 g/t, and expected average recoveries of 93%."

44. The MD&A stated that "as at December 31, 2010, proven and probable mineral reserves at Tasiast mine were 7.6 million ounces, measured and indicated mineral resources were 2.1 million ounces, and inferred mineral resources were 8.6 million ounces."

45. Kinross's 2010 annual financial statements recorded total goodwill of \$5.98 billion on its balance sheet. The notes to the financial statements stated that \$5.1611 billion of this goodwill (86.3%) was recorded for the Red Back mines. The notes to the financial statements also stated that the total consideration for Red Back was \$7.3586 billion.

46. On February 17, 2011, Kinross held a conference call with analysts and investors to discuss the company's earnings and operations. The individual defendants made the Tasiast mine a major focus of the call.

47. Mr. Burt stated that the Tasiast mine had “completely lived up to our expectations, growing faster than anticipated, with indications that there is much more potential to be discovered as we continue our work on-site.” He also repeated that “gold grades are higher than expected in the early years of production” and that Kinross had “dramatically increased Tasiast’s known reserves and resources”.

48. Glen Masterman stated that Kinross had “significantly increased reserves and resources”. He stated that Kinross had “added 3.9 million ounces to resource inventory since our last update in November” and Kinross had “upgraded 2.6 million ounces of resource to reserves”.

***Feasibility Study Is 36% Complete: Drilling Continues To Meet Or Exceed Expectations***

49. On March 28, 2011, Kinross issued a press release and announced that the feasibility study was 36% complete and that it remained on schedule to be completed in mid-2011. The press release stated that results from drilling at the Tasiast mine continued to meet or exceed expectations.

50. On March 30, 2011, Kinross filed its annual information form. It included a mineral reserve and mineral resource statement. It showed the following reserves and resources for the Tasiast and Chirano mines as of December 31, 2010:

	Tasiast mine			Chirano mine		
	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
Proven Mineral Reserve	68,816	1.65	3,661	14,501	1.40	651
Probable Mineral Reserve	60,100	2.02	3,902	16,060	3.45	1,783
Measured Mineral Resource	45,199	0.60	874	1,555	1.59	80
Indicated Mineral Resource	51,135	0.74	1,214	2,503	1.38	111
Inferred Mineral Resource	182,805	1.47	8,615	2,468	2.33	185

51. On April 7, 2011, Kinross filed its 2010 annual report, which included the 2010 annual MD&A and financial statements. The annual report stated that the drilling campaign at the Tasiast mine had added “significant new reserves and resources by year-end” and that Kinross had increased its proven and probable reserves for the Tasiast mine. The annual report included the mineral reserve and mineral resource statement that was included in the annual information form.

52. The annual report stated that “Tasiast is a once-in-a-lifetime gold deposit and is destined to become one of the world’s largest producing gold mines.”

***Q1 2011: Feasibility Study Is 62% Complete: Drilling Continues To Meet Or Exceed Expectations***

53. On May 3, 2011, Kinross released its Q1 2011 interim financial statements and MD&A for the period ended March 31, 2011. Kinross stated that it was continuing its aggressive drilling campaign at the Tasiast mine. The infill drilling at the West Branch zone of the mine was approximately 95% complete. The feasibility study was 62% complete and remained on schedule for completion in mid-2011.

54. The Q1 2011 MD&A, interim financial statements and the accompanying press release emphasized positive results at the Tasiast mine.

55. Kinross’s press release stated that the results from its drilling campaign “continue to meet or exceed expectations”. Its Q1 2011 MD&A also stated that “results from the infill and mineral resource expansion campaign continue to meet or exceed expectations.”

56. Kinross's Q1 2011 interim financial statements reported goodwill of \$6.0859 billion on its balance sheet. The notes to the financial statements stated that \$5.267 billion (86.5%) of goodwill was attributable to the Red Back mines.

57. The notes to the financial statements also disclosed the consideration for the Red Back acquisition. It reported the total consideration for the acquisition was \$8.7204 billion, an increase of approximately \$1.36 billion from \$7.3586 billion disclosed in the 2010 annual financial statements. This increase was based on Kinross's transition from recording the purchase price under Canadian Generally Accepted Accounting Principles ("GAAP") to accounting using IFRS.<sup>4</sup> The increase in consideration paid was almost entirely attributable to an increase in the allocation of the consideration to property, plant and equipment, which doubled.

***Q2 2011: Feasibility Study Extended To 2012 Based On Recent Drilling: Results Are Exciting***

58. On August 10, 2011, Kinross released its Q2 2011 interim financial statements and MD&A for the period ended June 30, 2011. Kinross stated that results from the drilling program at the Tasiast mine continued to be "very encouraging, increasing geological confidence in the mineral resource estimate, adding to the size of the overall mineral resource estimate, and indicating the potential for additional areas of mineralization beyond those previously incorporated in the initial project mine plan." The infill drilling at West Branch zone was largely completed, with "all planned resource update, metallurgical and

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<sup>4</sup> The large majority of the consideration Kinross provided to acquire Red Back was comprised of 416.4 million Kinross shares. GAAP and IFRS require different dates to valuing these shares. Under GAAP, the shares were valued on August 2, 2010, the date the acquisition by arrangement was announced. Under IFRS, the shares were valued on September 17, 2010, the date the arrangement was finalized.

geotechnical drilling complete”. The infill drilling program was to be extended to the Piment zone.

59. Kinross also announced that it was extending the Tasiast feasibility study to the end of the first quarter of 2012 “based on recent drill results and other emerging opportunities.”

60. Kinross’s Q2 2011 MD&A, interim financial statements and its accompanying press release repeatedly represented that drilling at the Tasiast mine was showing positive results.

61. Kinross’s August 10, 2011 press release stated that “Tasiast drill results increase resource size and confidence”. In the press release, Tye Burt stated that “[w]e continue to believe that Tasiast is one of the world’s great gold projects and a long-term foundation asset for Kinross. Our drilling campaign at Tasiast is yielding exciting results which not only increase our confidence in the resource, but suggest significant new opportunities and potential project expansions which warrant further study.”

62. Kinross’s Q2 2011 MD&A was replete with positive results from its drilling program:

- (a) “Infill exploration drilling of greenschist mineralisation at West Branch has significantly increased both the geological confidence and overall size of the mineral resource estimate.”
- (b) “Encouraging results from drill holes beneath the Piment zone indicate the potential for additional mineralization that, if fully delineated, may result in a larger orebody than previously considered.”
- (c) “[R]ecent drilling has confirmed the presence of lower grade sulphide mineralisation enveloping the main West Branch orebody in the existing pit model which may be amenable to crushing and heap leaching. If so, this would potentially improve the strip ratio and project economics by converting material previously considered waste rock into ore.”

- (d) “Encouraging results from holes beneath the existing West Branch pit model confirm the potential for an extension to the higher grade greenschist mineral resource.”

63. Kinross’s MD&A disclosed a fourfold increase in its measured and indicated mineral resources for the Taisiast mine since December 2010:

	December 2010			June 2011		
	Tonnes (kt)	Grade (g/t)	Ounces (koz)	Tonnes (kt)	Grade (g/t)	Ounces (koz)
Proven and Probable Mineral Reserve	128,916	1.82	7,563	128,916	1.82	7,563
Measured and Indicated Mineral Resource	96,334	0.67	2,088	237,300	1.19	9,050
Inferred Mineral Resource	182,805	1.47	8,615	218,903	0.65	4,590

64. The MD&A explained that “6.4 million gold ounces had been upgraded from inferred to measured and indicated categories of mineral resource”. This resulted in measured and indicated mineral resource totalling “approximately 9.1 million ounces, a more than fourfold increase since December 31, 2010.” The MD&A also explained that “approximately 2.9 million gold ounces have been added to the total mineral resource estimates... an increase of 16% ... since December 31, 2010”.

65. The Q2 2011 interim financial statements recorded total goodwill of \$6.3579 billion on the balance sheet. The notes to the financial statements stated that \$5.539 billion (87.1%) of this goodwill was recorded for the Red Back mines. This was an increase of \$272 million to the goodwill attributable to the Red Back mines.



66. The notes to the financial statements also disclosed separately the goodwill recorded for each of the Tasiast mine and the Chirano mine. Kinross recorded \$4.6204 billion of goodwill for the Tasiast mine and \$918.6 million for the Chirano mine.

67. The next day, on August 11, 2011, Kinross held a conference call with analysts and investors to discuss its earnings and operations. The individual defendants repeated the positive statements regarding the Tasiast mine and drilling program.

68. Tye Burt told investors that “we have exciting news at Tasiast”. He explained that Kinross had “encountered new gold intercepts outside the core of West Branch zone” and that this and other discoveries “create new opportunities”. Mr. Burt stated that the discoveries reinforced their view that “Tasiast is becoming one of the largest, most prolific gold districts in the world.”

69. Glen Masterman echoed Mr. Burt’s positive assessment. He stated that Kinross’s drilling had added to mineral resources: “[w]e’ve upgraded approximately 6 million ounces of inferred mineral resource to measured and indicated categories, an increase of over 300% to approximately 9.1 million ounces. We’ve also added approximately 2.9 million ounces to the total mineral resource inventory, increasing aggregate mineral resources across all categories to a total of 21.2 million ounces, inclusive of reserves.”

***Q3 2011: Drilling Continues To Increase Kinross’s Confidence In The Tasiast Ore Body***

70. On November 2, 2011, Kinross released its Q3 2011 interim financial statements and MD&A for the period ended September 30, 2011. Kinross continued its aggressive drilling at the Tasiast mine. It stated that the infill drilling program occupied approximately 90% of drilling resources in the third quarter with the drilling program being 95% complete in the

Piment zone. Kinross reported that work on the feasibility study continued and was expected to be completed at the end of the first quarter of 2012.

71. The defendants reported positively on the Tasiast mine in Kinross's interim financial statements, MD&A and the accompanying press release.

72. Kinross's press release stated that "[f]urther drilling and exploration at Tasiast continue to increase the Company's confidence in the ore body and define new areas for potential growth." In the press release, Tye Burt stated that "[o]ur drilling campaign at Tasiast continues both to confirm our confidence in the resource and indicate potential further expansions to our previous model."

73. The Q3 2011 interim financial statements recorded total goodwill of \$6.3579 billion on the balance sheet. The notes to the financial statements stated that \$5.539 billion (87.1%) of this goodwill was recorded for the Red Back mines. \$4.6204 billion of this goodwill was recorded for the Tasiast mine and \$918.6 million was recorded for the Chirano mine.

74. The same day Kinross held a conference call with analysts and investors to discuss its earnings and operations. The individual defendants reiterated the positive statements regarding the Tasiast mine.

75. Tye Burt stated that "[t]he ongoing drilling campaign at Tasiast continues to confirm our confidence in the mineral resource there."

### **Kinross Could No Longer Hide The Poor Drilling Results At The Red Back Mines**

76. On January 16, 2012, Kinross issued a press release providing preliminary 2011 operating results and a 2012 outlook. Kinross announced that, as a result of an "evolving"

understanding of the Tasiast ore body, it expected to record a material non-cash accounting charge, primarily related to the goodwill recorded for the Tasiast mine:

In view of the Company's evolving understanding of Tasiast project parameters, and market conditions, including industry-wide increases in capital and operating costs, the Company expects to record a material non-cash accounting charge, primarily relating to the goodwill recorded for the Tasiast mine in connection with the 2010 Red Back acquisition.

77. Kinross revealed that it was going to conduct a "comprehensive capital and project optimization process", which it stated could result in a revision of previously-disclosed "scoping and pre-feasibility level assumptions and forecasts" regarding the Tasiast mine.

78. Kinross also disclosed that it would "explore project development alternatives" and that it anticipated another six to nine months of additional analysis and planning to "determine the optimum processing mix for the Tasiast deposit and the timing for developing those processing alternatives."

79. In response to Kinross's announcement, the price of Kinross shares dropped from \$13.20 per share on January 16, 2012 to \$10.17 on January 19, 2012, a drop of nearly 23% over 3 trading days.

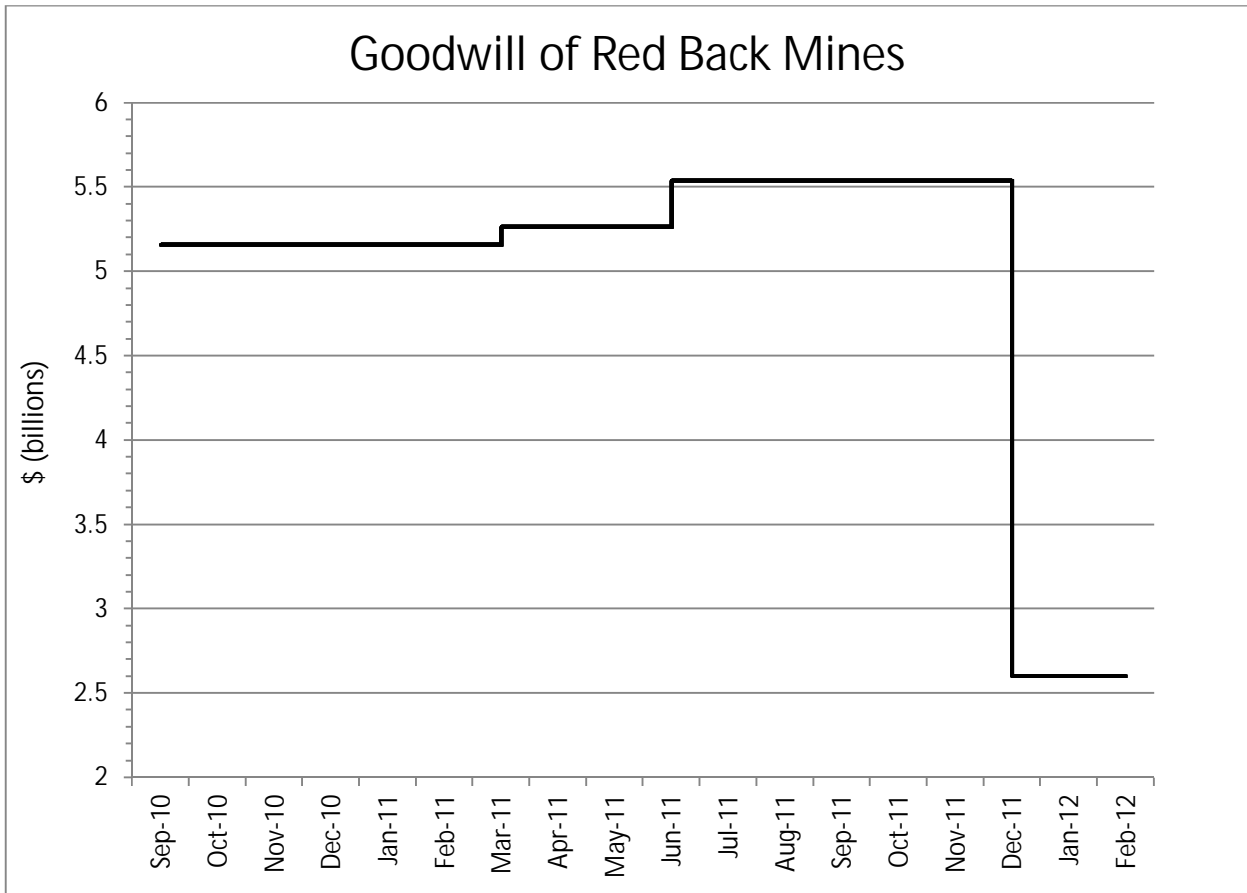
80. On February 15, 2012, Kinross announced that it was writing down \$2.94 billion of its goodwill made up of \$2.49 billion for the Tasiast mine and \$447.5 million for the Chirano mine.

81. This write down represented, respectively:

- (a) a 54% downward adjustment to the goodwill for the Tasiast mine, from \$4.62 billion down to \$2.13 billion; and

- (b) a 49% downward adjustment to the goodwill for the Chirano mine, from \$918.6 million down to \$471.1 million.

82. The following chart demonstrates the abruptness of Kinross's reporting of goodwill:



83. The 53% write down of the goodwill was unquestionably material to Kinross's business. It represented a 46% decline in the goodwill for all of Kinross's mines and a 14% decline for Kinross's total assets.<sup>5</sup>

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<sup>5</sup> The goodwill for the Tasiast and Chirano mines represented 29.3% of all of Kinross's assets before the write down and 15.8% afterwards.

### **The Defendants' Misrepresentations**

84. Kinross's financial statements, management discussion and analysis, press releases and other public statements created a materially misleading and distorted picture of the value of the Tasiast and Chirano mines.

85. The defendants made, authorized or acquiesced in the making of the following misrepresentations, all of which were false, inaccurate or misleading:

- (a) they stated Kinross's financial reporting complied with Generally Accepted Accounting Principles and International Financial Reporting Standards (as the case may be), which it did not;
- (b) they consistently overstated the goodwill in the Tasiast and Chirano mines by failing to record an impairment charge;
- (c) they misstated the grade of gold ore at the Tasiast and Chirano mines;
- (d) they represented amounts for Kinross's mineral reserves and resource estimates for the Tasiast and Chirano mines that were inaccurate or objectively unreasonable;
- (e) they repeatedly reported positive and improving progress for Kinross's drilling program at the Tasiast mine, which reports were false or materially misleading; and
- (f) they falsely stated that the Tasiast mine was "destined to become one of the world's largest producing gold mines" and made other similar statements regarding the mine's incredible future, which statements were not objectively reasonable at the time.

86. The defendants knew or ought to have known these misrepresentations were false, inaccurate or misleading. The defendants knew or ought to have known that as a result of the high amounts of low grade gold ore exhibited at the Tasiast mine, Kinross was required record an impairment in the value of goodwill.

### **Misrepresentations Were Incorporated Efficiently Into The Price Of Kinross Share**

87. The defendants' misrepresentations relating to the Tasiast and Chirano mines directly affected the price at which Kinross's shares traded and caused Kinross's share price to plummet.

88. Kinross's quarterly and annual reports, press releases and other disclosure documents were publicly disseminated to the financial press, financial analysts, the securities regulators' disclosure database (SEDAR) and Kinross's public website. The defendants regularly provided press releases that were disseminated to Canadian and other news sources. Analysts also based their recommendations about Kinross's shares on publicly disclosed information. Analysts prepared reports that incorporated the information in these misrepresentations.

89. Kinross's shares were traded on the Toronto Stock Exchange and the New York Stock Exchange, both of which are efficient markets. Kinross shares were highly liquid at all material times with a trading volume of millions of shares daily. The trading price of its shares incorporated material information as it was disclosed by Kinross almost instantaneously. The price of Kinross's shares at all times reflected the publicly disclosed statements from Kinross, including all misrepresentations.

### **The Misrepresentations Constituted Common Law Misrepresentations**

90. The defendants are liable to the plaintiffs and the Class for the misrepresentations relating to the Tasiast and Chirano mines, including their failure to make timely and accurate disclosure of material negative information regarding the results of its drilling program and the awareness of lower grade ore.

91. Kinross owed a duty to Class Members to ensure the accuracy of its public statements. It had an obligation to make full, true, accurate and timely disclosure of material facts and changes with respect to its business and affairs, which included ensuring the accuracy of statements regarding the Tasiast and Chirano mines.

92. The individual defendants, by virtue of their positions as officers of Kinross, owed a duty to Class Members to ensure that financial reporting, disclosure documents and public statements on behalf of Kinross were true, accurate and not misleading. They owed a duty to ensure that material events, such as the realization of a lower quality ore body at the Tasiast mine, were disclosed to investors in a timely manner and that there were no material omissions in quarterly and annual reports.

93. The continuous disclosure requirements in Canadian securities law required Kinross to release financial statements, MD&A, annual information forms and material change reports. NI 43-101 also imposed strict requirements for disclosing mineral reserves and resources. This disclosure was meant to be read by Class Members who acquired Kinross's shares and to be relied on by them in making investment decisions. This public disclosure was prepared to attract investment, and the individual defendants intended that Class Members would rely on public disclosure for that purpose. These individual defendants also owed a statutory duty of care to shareholders under section 134 of the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16.

94. In addition, the defendants Tye Burt and Paul H. Barry had statutory obligations under Canadian securities law to ensure the accuracy of disclosure documents. They provided

certifications in respect of the financial statements and MD&A during the Class Period. They each certified that these documents:

- (a) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading.
- (b) fairly present in all material respects the financial condition, results of operations and cash flows of Kinross.

95. The defendants Glen J. Masterman and Kenneth G. Thomas were respectively senior vice president of exploration and senior vice-president of projects during the Class Period. As such, they were significantly involved in the supervision of the drilling program at the Tasiast mine and Kinross's disclosure regarding reserves and resources at the Tasiast and Chirano mines. They had the ability to correct the content of Kinross's financial reporting and other disclosure and communication to the Class Members, including press releases. Messrs. Masterman and Thomas also attended investor calls where the individual defendants touted the positive progress at the Tasiast mine.

96. Finally, the individual defendants were subject to Kinross's Code of Business Conduct and Ethics. It provides that employees and officers must comply with Kinross's Disclosure, Confidentiality and Insider Trading Policy, which requires "timely disclosure of material information and mandates full, fair, accurate, understandable and timely disclosure in reports and documents filed with, or submitted to, regulatory authorities and other materials that are made available to the investing public...". Further, the code of conduct provides that employees and officers who make entries into business records or who issue regulatory or financial reports "have a responsibility to fairly present all information in a truthful, accurate and timely manner."



97. The defendants breached their duties to the Class Members by making the misrepresentations as described in paragraph 85 above. The defendants' conduct constituted negligent misrepresentation and they are liable to the Class Members.

98. The defendants knew or ought to have known of Kinross's misrepresentations and the failure to disclose negative results from the drilling program at the Tasiast mine. They knew or ought to have known that these misrepresentations would distort Kinross's financial results and other disclosure. The defendants made these misrepresentations with the intent that investors would rely on them.

99. The plaintiffs and Class Members relied on these misrepresentations to their detriment by the act of purchasing or acquiring Kinross shares. They also relied on the defendants' obligation to make timely disclosure of all material facts, to comply with securities law and to prepare financial statements, MD&As and Kinross's other filings in accordance with GAAP or IFRS. The defendants violated these obligations.

### **The Misrepresentations Constituted Statutory Misrepresentations**

100. The *OSA* and the securities legislation in other provinces imposed an obligation on the defendants to ensure full, true and plain disclosure of all material facts and material changes to the business and affairs of Kinross. The defendants were statutorily required to ensure the accuracy of documents released as part of Kinross's continuous disclosure, including financial statements and MD&A, and to ensure the accuracy of all public oral and written statements.

101. As a result of their misrepresentations, the defendants are liable for statutory misrepresentation in accordance with Part XXIII.1 of the *OSA* or, alternatively, the following securities legislation:

Part 16.1 of *Securities Act*, R.S.B.C. 1996, c.418  
Part 17.01 of *Securities Act*, R.S.A. 2000, c. S-4  
Part XVIII.1 of *Securities Act*, 1988, S.S. 1988-89, c. S-42-2  
Part XVIII of *Securities Act*, C.C.S.M. c.S50  
Division II of Title VIII, Chapter II of *Securities Act*, R.S.Q., c. V-1.1  
Part 11.1 of *Securities Act*, S.N.B. 2004, c. S-5.5  
Sections 146A to 146N of *Securities Act*, R.S.N.S. 1989, c. 418  
Part XXII.1 of *Securities Act*, R.S.N.L. 1990, c. S-13  
Part 14 of *Securities Act*, R.S.P.E.I. 1988, c. S-3.1  
Part 14 of *Securities Act*, S.Y. 2007, c. 16  
Part 14 of *Securities Act*, S.N.W.T. 2008, c. 10  
Part 14 of *Securities Act*, S.Nu. 2008, c. 12  
(collectively the “Other Securities Legislation”).

102. The defendants released documents that contained misrepresentations (as defined for the purposes of Part XXIII.1 of the *OSA* and the Other Securities Legislation) relating to the Tasiast and Chirano mines.

103. Kinross’s financial statements, MD&A and 2010 annual information form contained misrepresentations and were core documents within the meaning of Part XXIII.1 of the *OSA*, Other Securities Legislation or rules or regulation thereunder.

104. In addition, the defendants released documents and made public oral statements that contained misrepresentations (as defined for the purposes of Part XXIII.1 of the *OSA* and the Other Securities Legislation) relating to the Tasiast and Chirano mines. The individual defendants did so with actual, implied or apparent authority to release such documents and to make such statements on Kinross’s behalf.

105. The defendants knew, at the time these documents were released and the public oral statements were made, that the documents and public statements contained misrepresentations or that they deliberately avoided acquiring such knowledge or were guilty of gross misconduct in connection with the release of the documents and making the public oral statements.

106. The defendants also failed to make timely disclosure of material changes and in particular, without limitation, material changes relating to the negative results from the drilling program at the Tasiast mine and awareness of lower grade ore at the mine. The defendants authorized, permitted or acquiesced in the failure to make timely disclosure of material changes.

### **Damages**

107. The plaintiffs and each Class Member suffered damages as a result of relying on the defendants' misrepresentations. These include losses suffered when Kinross announced the Tasiast mine would require significant capital expenditures since drilling had revealed lower grade ore and that Kinross would be taking a charge relating to the goodwill for that mine.

108. The Class Members suffered damages equivalent to the drop in share price as the true state of affairs for the Tasiast and Chirano mines was disclosed. If the defendants had not made the misrepresentations described above, the price of Kinross's shares would not have traded at an artificially high level and the Class Members, who acquired the shares during the Class Period, would not have suffered the losses when the truth about the mines acquired from Red Back began to emerge in January 2012.

**Vicarious Liability**

109. Kinross is vicariously liable for the acts and omissions of the individual defendants and other Kinross employees including, without limitation, misrepresentations made negligently. The individual defendants engaged in the misconduct described above while engaged in the management, direction, control and transaction of the business and affairs of Kinross.

110. This action was commenced pursuant to the *Class Proceedings Act, 1992*.

111. The trial of the action should take place in Toronto.

April 10, 2012

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Lawyers for the plaintiffs

## SCHEDULE “A” – CIM STANDARDS

### Mineral Resources

A **Mineral Resource** is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.”

An “**Inferred Mineral Resource**” is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An “**Indicated Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

A “**Measured Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches,

pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

### **Mineral Reserve Definitions**

A **Mineral Reserve** is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

A “**Probable Mineral Reserve**” is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

A “**Proven Mineral Reserve**” is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

**SCHEDULE “B” – MISREPRESENTATIONS DURING THE CLASS PERIOD**

Source	Misrepresentation																
2010 annual MD&A	<p>As at December 31, 2010, proven and probable mineral reserves at Tasiast mine were 7.6 million ounces, measured and indicated mineral resources were 2.1 million ounces, and inferred mineral resources were 8.6 million ounces.</p> <p>During the first eight years of operation [of the mine] average annual production is expected to be approximately 1.5 million gold equivalent ounces at an average cost of sales per ounce of approximately \$480-520, with an expected average gold grade of approximately 2 g/t, and expected average recoveries of 93%.</p>																
2010 annual financial statements	<p>Goodwill of \$5.98 billion recorded on the balance sheet. \$5.1611 billion of goodwill recorded for its Red Back acquisition.</p>																
Press release, February 16, 2011	<p>Proven and probable mineral reserves at Tasiast increased to 7.6 million gold ounces, measured and indicated mineral resources were 2.1 million gold ounces and inferred mineral resources increased to 8.6 million gold ounces.</p> <p>Our aggressive exploration and technical work since acquiring Tasiast confirms our view of its potential to become one of the world’s great gold mines.</p> <p>Gold grades are higher than expected in the early years of production, the deposit continues to be open, reserves and resources have grown significantly, ...</p> <p>Tasiast will be a cornerstone asset for Kinross as its production expands to 1.5 million ounces, ...</p> <p>During the first eight years of operation, average annual production is expected to be approximately 1.5 million gold equivalent ounces at an average cost of sales per ounce of approximately \$480-520, with an expected average gold grade of approximately 2 g/t, and expected average recoveries of 93%.</p> <p>As of December 31, 2010, reserves and resources were as follows:</p> <table border="1" data-bbox="639 1667 1437 1906"> <thead> <tr> <th></th> <th colspan="3" style="text-align: center;">Tasiast mine</th> </tr> <tr> <th></th> <th style="text-align: center;">Tonnes (kt)</th> <th style="text-align: center;">Grade (g/t)</th> <th style="text-align: center;">Ounces (koz)</th> </tr> </thead> <tbody> <tr> <td>Proven Mineral Reserve</td> <td style="text-align: center;">68,816</td> <td style="text-align: center;">1.65</td> <td style="text-align: center;">3,661</td> </tr> <tr> <td>Probable Mineral Reserve</td> <td style="text-align: center;">60,100</td> <td style="text-align: center;">2.02</td> <td style="text-align: center;">3,902</td> </tr> </tbody> </table>		Tasiast mine				Tonnes (kt)	Grade (g/t)	Ounces (koz)	Proven Mineral Reserve	68,816	1.65	3,661	Probable Mineral Reserve	60,100	2.02	3,902
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Tye Burt, investor call on February 16, 2011	<p>Gold grades are higher than expected in the early years of production.</p> <p>Reserves and resources have grown significantly since November</p> <p>Tasiast will be a cornerstone asset for Kinross as it grows its production to 1.5 million annual ounces, ...</p> <p>We ... dramatically increased Tasiast's known reserves and resources ...</p> <p>At year-end 2010, Tasiast's proven and probable mineral reserves increased to 7.6 million ounces, M&amp;I were 2.1 million ounces, and inferred resources increased to 8.6 million gold ounces.</p> <p>Tasiast has completely lived up to our expectations, growing faster than anticipated, with indications that there is much more potential to be discovered as we continue our work on-site.</p>																																				
Glen Masterman, investor call on February 16, 2011	<p>...we have added 3.9 million ounces to resource inventory at Tasiast since our last update in November,</p> <p>... we have significantly increased reserves and resources. As of December 31, 2010, proven and probable reserves at Tasiast increase to 7.6 million ounces. Measured indicated resources are 2.1 million ounces and inferred resources increased to 8.6 million ounces. We upgraded 2.6 million ounces of resource to reserves and added 3.5 million ounces to inferred resources since the update in November.</p>																																				
Press release, March 28, 2011	<p>Results from drilling at Tasiast continue to meet or exceed expectations.</p> <p>Reconnaissance drilling has yielded encouraging gold results</p>																																				



	at two different targets along the Tasiast trend outside of the main Tasiast deposit.																												
Tasiast Project Mauritania NI 43-101 Technical Report, March 31, 2011	<p>As of December 31, 2010, reserves and resources were as follows:</p> <table border="1"> <thead> <tr> <th colspan="4">Tasiast mine</th> </tr> <tr> <th></th> <th>Tonnes (Mt)</th> <th>Grade (g/t)</th> <th>Ounces (Moz)</th> </tr> </thead> <tbody> <tr> <td>Proven Mineral Reserve</td> <td>68.8</td> <td>1.65</td> <td>3.66</td> </tr> <tr> <td>Probable Mineral Reserve</td> <td>60.1</td> <td>2.02</td> <td>3.90</td> </tr> <tr> <td>Measured Mineral Resource</td> <td>45.20</td> <td>.60</td> <td>.87</td> </tr> <tr> <td>Indicated Mineral Resource</td> <td>51.14</td> <td>.74</td> <td>1.21</td> </tr> <tr> <td>Inferred Mineral Resource</td> <td>182.8</td> <td>1.5</td> <td>8.6</td> </tr> </tbody> </table> <p>The data supporting the mineral resource and mineral reserve estimates were appropriately collected, evaluated and estimated, and the original Project objective of identifying mineralization that could support mining operations has been achieved.</p>	Tasiast mine					Tonnes (Mt)	Grade (g/t)	Ounces (Moz)	Proven Mineral Reserve	68.8	1.65	3.66	Probable Mineral Reserve	60.1	2.02	3.90	Measured Mineral Resource	45.20	.60	.87	Indicated Mineral Resource	51.14	.74	1.21	Inferred Mineral Resource	182.8	1.5	8.6
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2010 annual report, April 7, 2011	<p>Tasiast is a once-in-a-lifetime gold deposit and is destined to become one of the world's largest producing gold mines.</p> <p>Our aggressive drilling campaign added significant new reserves and resources by year-end, and we expect the resource to continue growing.</p> <p>...with a geologic architecture similar to sites of major gold deposits in settings such as Kalgoorlie in Australia and Timmins in Canada — we believe there is further potential for Tasiast to become an entire gold producing region.</p> <p>...the Tasiast expansion project in Mauritania provides unrivalled potential for growth.</p> <p>At year-end 2010, Kinross increased Tasiast's proven and probable reserves to 7.6 million gold ounces.</p> <p>As of December 31, 2010, reserves and resources were as follows:</p> <table border="1"> <thead> <tr> <th colspan="4">Tasiast mine</th> </tr> <tr> <th></th> <th>Tonnes (kt)</th> <th>Grade (g/t)</th> <th>Ounces (koz)</th> </tr> </thead> <tbody> <tr> <td>Proven Mineral Reserve</td> <td>68,816</td> <td>1.65</td> <td>3,661</td> </tr> <tr> <td>Probable Mineral Reserve</td> <td>60,100</td> <td>2.02</td> <td>3,902</td> </tr> <tr> <td>Measured Mineral Resource</td> <td>45,199</td> <td>0.60</td> <td>874</td> </tr> </tbody> </table>	Tasiast mine					Tonnes (kt)	Grade (g/t)	Ounces (koz)	Proven Mineral Reserve	68,816	1.65	3,661	Probable Mineral Reserve	60,100	2.02	3,902	Measured Mineral Resource	45,199	0.60	874								
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Press release, May 3, 2011	<p>Results from the infill and mineral resource expansion campaign continue to meet or exceed expectations.</p> <p>Reconnaissance drilling has yielded encouraging results at two different targets along the Tasiast trend outside of the main Tasiast deposit.</p> <p>Results at the main deposit continue to fulfill our expectations, while encouraging results at other targets along the trend reinforce our belief that Tasiast has the potential to develop into a major gold producing district.</p>																												
Tye Burt, investor call on May 3, 2011	<p>Reconnaissance drilling has encountered encouraging gold results along the trend outside of the main Tasiast deposit, reinforcing our view that Tasiast has the potential to develop into an entire gold-producing district.</p>																												
Q1 2011 MD&A	<p>Results from the infill and mineral resource expansion campaign continue to meet or exceed expectations.</p>																												
Q1 2011 financial statements	<p>Goodwill attributed to Tasiast and Chirano mines: \$5.267 billion</p>																												
Press release, August 10, 2011	<p>Drilling at Tasiast has upgraded 6.4 million gold ounces of inferred resource to measured and indicated mineral resource categories, and added approximately 2.9 million gold ounces to the total mineral resource inventory.</p> <p>Recent drill results from within the West Branch and Piment zones also indicate significant new opportunities beyond those incorporated in the initial project scoping study, including potential for supplemental heap leach production and a potential new zone of mineralization that, if fully delineated, may result in an expansion to the proposed pit.</p>																												

	<p>We continue to believe that Tasiast is one of the world's great gold projects and a long-term foundation asset for Kinross. Our drilling campaign at Tasiast is yielding exciting results which not only increase our confidence in the resource, but suggest significant new opportunities and potential project expansions which warrant further study.</p>
<p>Q2 2011 MD&amp;A</p>	<p>Results from the drilling program continue to be very encouraging, increasing geological confidence in the mineral resource estimate, adding to the size of the overall mineral resource estimate, and indicating the potential for additional areas of mineralization beyond those previously incorporated in the initial project mine plan.</p> <p>Infill exploration drilling of greenschist mineralisation at West Branch has significantly increased both the geological confidence and overall size of the mineral resource estimate.</p> <p>Compared to December 31, 2010, approximately 6.4 million gold ounces have been upgraded from inferred to measured and indicated categories of mineral resource.</p> <p>Measured and indicated mineral resources now total approximately 9.1 million ounces, a more than fourfold increase since December 31, 2010.</p> <p>In addition, approximately 2.9 million gold ounces have been added to the total mineral resource estimates (comprising proven and probable mineral reserves, measured and indicated mineral resources, and inferred mineral resources), an increase of 16% in total mineral resources and reserves since December 31, 2010.</p> <p>Encouraging results from drill holes beneath the Piment zone indicate the potential for additional mineralization that, if fully delineated, may result in a larger orebody than previously considered.</p> <p>[R]ecent drilling has confirmed the presence of lower grade sulphide mineralisation enveloping the main West Branch orebody in the existing pit model which may be amenable to crushing and heap leaching. If so, this would potentially improve the strip ratio and project economics by converting material previously considered waste rock into ore.</p> <p>Encouraging results from holes beneath the existing West Branch pit model confirm the potential for an extension to the higher grade greenschist mineral resource.</p> <p>Completion of the next phase of drilling in the Tasiast Sud area 10 kilometres south of the mine yielded further encouraging results at the C69 and Charlize targets.</p>

Q2 financial statements	<p>On finalization of the purchase price allocation, goodwill previously included in the corporate and other segment was adjusted to reflect the final purchase price allocation and allocated to the Tasiast (\$4,620.4 million) and Chirano (\$918.6 million) properties.</p>
Tye Burt, investor call on August 11, 2011	<p>We've encountered new gold intercepts outside the core of West Branch zone. This and other discoveries create new opportunities and reinforce the view that Tasiast is becoming one of the largest, most prolific gold districts in the world.</p> <p>We're continuing to see very exciting results from the ongoing drill campaign at Tasiast.</p> <p>We've had encouraging results from drill holes beneath the Piment pits that suggests there's a potential new zone of mineralization that, if fully delineated, may result in an expansion to the proposed pit.</p> <p>... recent drilling at West Branch itself has confirmed the presence of a lower grade sulfide mineralization envelope around the main West Branch ore body, providing the potential for an additional heap leach facility.</p> <p>We've also upgraded approximately 6.4 million ounces of inferred resources to measured and indicated, which has increased more than 4-fold, and added approximately 2.9 million gold ounces to the total mineral resource estimate, which is a 16 % increase since the December year-end estimate.</p> <p>Overall, the results of the drill program and the large amount of new data that we've gathered beyond the scoping study completed 6 months ago, have continued to be very encouraging, increasing geologic confidence in the mineral resource estimate, adding to the size of the overall resource and indicating the potential for additional areas of mineralization beyond those incorporated in the initial project mine plan.</p>
Glen Masterman, investor call on August 11, 2011	<p>Infill exploration drilling of greenschist style mineralization at West Branch has significantly increased both the geologic confidence and overall size of the mineral resource estimate.</p> <p>Compared to year-end 2010, we've upgraded approximately 6 million ounces of inferred mineral resource to measured and indicated categories, an increase of over 300% to approximately 9.1 million ounces.</p> <p>We've also added approximately 2.9 million ounces to the total mineral resource inventory, increasing aggregate mineral resources across all categories to a total of 21.2</p>

	million ounces, inclusive of reserves.						
Kenneth G. Thomas, investor call on August 11, 2011	...encouraging results from drill holes beneath the Piment zone that suggest the potential for a larger ore body.						
Press release, November 2, 2011	<p>Further drilling and exploration at Tasiast continue to increase the Company's confidence in the orebody and define new areas for potential growth.</p> <p>Our drilling campaign at Tasiast continues both to confirm our confidence in the resource and indicate potential further expansions to our previous model.</p> <p>Drilling also continued to follow-up encouraging results encountered in greenschist host-rocks between Piment Sud Sud and Piment Central.</p>						
Q3 MD&A	<p>Drilling also continued in follow-up of encouraging results encountered in greenschist host-rocks between Piment Sud Sud and Piment Central.</p> <p>Results continue to be strongly encouraging.</p>						
Q3 Financial Statement	<table> <thead> <tr> <th></th> <th>Tasiast</th> <th>Chirano</th> </tr> </thead> <tbody> <tr> <td>Goodwill (million)</td> <td>\$4,620.4</td> <td>\$918.6</td> </tr> </tbody> </table>		Tasiast	Chirano	Goodwill (million)	\$4,620.4	\$918.6
	Tasiast	Chirano					
Goodwill (million)	\$4,620.4	\$918.6					
Tye Burt, investor call on November 2, 2011	<p>The ongoing drilling campaign at Tasiast continues to confirm our confidence in the mineral resource there.</p> <p>We continue to advance our drill program at Tasiast, which continues to confirm our confidence in the mineral resource there.</p>						

E. Eddy Bayens et al. Trustees of the Musicians'  
Pension Fund of Canada  
Plaintiffs

and

Kinross Gold Corporation et al.  
Defendants

Court File No: CV-12-44865100CP

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

Proceeding under the *Class Proceeding Act, 1992*

**AMENDED STATEMENT OF CLAIM**  
**(Notice of Action issued March 12, 2012)**

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