

# Kinross Gold Corporation reports 2022 second-quarter results

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- Company on track to significantly increase production and free cash flow in second half of year
- Proceeding with Manh Choh project to increase gold production in Alaska at lower costs

TORONTO, July 27, 2022 - [Kinross Gold Corporation](#) (TSX: K, NYSE: KGC) (“Kinross” or the “Company”) today announced its results for the second-quarter ended June 30, 2022.

This news release contains forward-looking information about expected future events and financial and operating performance of the Company. Please refer to the risks and assumptions set out in our Cautionary Statement on Forward-Looking Information located on page 33 of this release. All dollar amounts are expressed in U.S. dollars, unless otherwise noted.

Results from the Company’s Russian and Ghanaian assets have been excluded from its Q2 2022 continuing results, along with comparative figures, due to the classification of these assets as discontinued as at June 30, 2022.

## Q2 2022 highlights from continuing operations:

- Gold equivalent production of 453,978 Au eq. oz. produced.
- Production cost of sales<sup>1</sup> of \$1,027 per Au eq. oz. sold and all-in sustaining cost<sup>2</sup> of \$1,341 per Au eq. oz. sold.
- Margins<sup>3</sup> of \$845 per Au eq. oz. sold.
- Adjusted operating cash flow<sup>2</sup> of \$251.9 million, operating cash flow<sup>4</sup> of \$257.1 million and free cash flow<sup>2</sup> of \$107.7 million.
- Reported net loss<sup>5</sup> of \$9.3 million, or \$0.01 per share, with adjusted net earnings<sup>2, 6</sup> of \$37.4 million, or \$0.03 per share<sup>2</sup>.
- Cash and cash equivalents of \$719.1 million, and total liquidity<sup>7</sup> of approximately \$2.1 billion at June 30, 2022.
- Kinross’ Board of Directors declared a quarterly dividend of \$0.03 per common share payable on September 1, 2022 to shareholders of record at the close of business on August 18, 2022.

## Company guidance:

- Kinross is on track to significantly increase production in the second half of the year, primarily driven by stronger production at Paracatu, Tasiast and La Coipa. The Company expects to be at the low end of its 2022 production guidance range mainly due to temporary delays in the mill ramp-up at La Coipa.
- Kinross expects to maintain a substantial production profile with estimated average production of two million Au eq. oz. per year over the remainder of the decade.
- The Company expects its 2022 production cost of sales to be approximately \$900 per Au eq. oz. sold and all-in sustaining cost to be approximately \$1,240 per Au eq. oz. sold<sup>2</sup>, mainly due to the impact of the temporary delay in La Coipa’s mill ramp-up and inflationary pressures across the portfolio. Consolidated production cost of sales was \$8328 per Au eq. oz. sold and attributable all-in sustaining cost of sales was \$1,1382, 8 per Au eq. oz. sold for the year ended December 31, 2021. The Company continues to expect costs to decrease during the second half of the year largely due to the anticipated increase in production. Kinross is on track to meet its 2022 capital expenditures guidance of \$850 million (+/- 5%).

### **Development projects:**

- Kinross is proceeding with development of the 70%-owned Manh Choh project in Alaska, which is expected to increase the Company's production profile by approximately 640,000 attributable Au eq. oz. over the life of mine at lower costs.
- The world-class Great Bear project in Red Lake, Ontario continues to make excellent progress, with drilling results from the first half of the year continuing to confirm Kinross' vision of developing a large, long-life mining complex. The Company plans to declare an initial mineral resource estimate as part of its 2022 year-end results.
- The Tasiast 24k project remains on plan to reach 24,000 tonnes per day throughput in mid-2023.

### **Russia and Ghana divestments:**

- On June 15, 2022, Kinross announced the completion of the sale of 100% of its Russian assets to the Highland Gold Mining group of companies for \$340 million in cash. The Company received \$300 million in U.S. denominated cash on closing with a deferred payment of \$40 million due on the one-year anniversary of closing.
- On April 25, 2022, Kinross announced the sale of its 90% interest in the Chirano mine in Ghana to Asante Gold Corporation for total consideration of \$225 million in cash. The sale is expected to close in August 2022.

### **CEO Commentary:**

J. Paul Rollinson, President and CEO, made the following comments in relation to 2022 second-quarter results:

"Kinross had higher production compared with the first quarter and we continue to expect stronger production and lower costs in the second half of the year to generate an increase in free cash flow. Paracatu and Tasiast are on track to increase production at lower costs for the rest of the year, with the La Coipa mill expected to continue ramping up, contributing to our higher production.

"With the completion of the sale of our Russian assets and pending sale of Chirano, approximately 70% of our production is now based out of the Americas. The new re-balanced portfolio is bolstered by our robust development projects, which all advanced well over the quarter. At the world-class Great Bear project in Red Lake, Ontario, drilling results continue to show the significant potential of a deposit that can host a large, long-life mining complex. At Manh Choh in Alaska, we completed a feasibility study ahead of schedule, and are proceeding with a project that we expect will add approximately 640,000 lower-cost gold ounces to our production profile over its life of mine in one of the world's best mining jurisdictions.

"Looking ahead, we believe we have significant value upside. We are in excellent financial position, have strong liquidity of \$2.1 billion, and continue to prioritize and strengthen our investment-grade balance sheet while returning capital to our shareholders. Our high-quality portfolio has a competitive reserve life, with production expected to increase to 2.3 million gold ounces next year, and average two million gold ounces per year over the remainder of the decade."

### **Summary of financial and operating results**

			Three months ended		Six months
			June 30,		ended
(unaudited, in millions of U.S. dollars, except ounces, per share amounts, and per ounce amounts)			2022	2021	2022
<b>Operating Highlights</b>					
Total gold equivalent ounces(a),(g)					
Produced(c)	560,852	541,954	1,070,093	1,105,120	
Sold(c)	512,431	551,871	1,007,906	1,104,069	
Total gold equivalent ounces from continuing operations(h)					
Produced(c)	453,978	381,474	832,399	778,494	
Sold(c)	439,078	390,230	812,806	779,131	
Attributable gold equivalent ounces(a),(g)					
Produced(c)	557,491	538,091	1,063,239	1,096,868	
Sold(c)	508,731	547,819	1,000,625	1,095,903	
<b>Financial Highlights from Continuing Operations(h)</b>					
Metal sales	\$ 821.5	\$ 707.9	\$ 1,522.4		
Production cost of sales	\$ 450.8	\$ 331.8	\$ 832.6		
Depreciation, depletion and amortization	\$ 180.5	\$ 189.6	\$ 347.0		
Operating earnings	\$ 64.0	\$ 87.5	\$ 166.5		
Net (loss) earnings from continuing operations attributable to common shareholders					
Basic (loss) earnings per share from continuing operations attributable to common shareholders	\$ (0.01)	\$ 0.02	\$ 0		
Diluted (loss) earnings per share from continuing operations attributable to common shareholders					
Adjusted net earnings from continuing operations attributable to common shareholders(b)	\$ 37.4	\$ 66.5			
Adjusted net earnings from continuing operations per share(b)	\$ 0.03	\$ 0.05	\$ 0.08		
Net cash flow of continuing operations provided from operating activities					
Adjusted operating cash flow from continuing operations(b)	\$ 251.9	\$ 250	\$ 501.0		
Capital expenditures from continuing operations(d)					
Free cash flow from continuing operations(b)	\$ 107.7	\$ 96.3			
Average realized gold price per ounce from continuing operations(e)					
Production cost of sales from continuing operations per equivalent ounce(c) sold(f)	\$ 1,872	\$ 1,814	\$ 1,814		
Production cost of sales from continuing operations per ounce sold on a by-product basis(b)	\$ 1,027	\$ 850			
All-in sustaining cost from continuing operations per ounce sold on a by-product basis(b)	\$ 1,018	\$ 840			
All-in sustaining cost from continuing operations per equivalent ounce(c) sold(b)	\$ 1,335	\$ 1,315			
Attributable all-in cost(a) from continuing operations per ounce sold on a by-product basis(b)	\$ 1,341	\$ 1,150			
Attributable all-in cost(a) from continuing operations per equivalent ounce(c) sold(b)	\$ 1,596	\$ 1,512			

(a) "Total gold equivalent ounces" includes 100% of Chirano production. "Attributable gold equivalent ounces" includes Kinross' share of Chirano (90%) production. "Attributable all-in cost" includes Kinross' share of Manh Choh (70%) costs.

(b) The definition and reconciliation of these non-GAAP financial measures and ratios is included in Section 11. Non-GAAP financial measures and ratios have no standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other issuers.

(c) "Gold equivalent ounces" include silver ounces produced and sold converted to a gold equivalent based on a ratio of the average spot market prices for the commodities for each period. The ratio for the second quarter of 2022 was 82.76:1 (second quarter of 2021 - 68.05:1). The ratio for the first six months of 2022 was

80.36:1 (first six months of 2021 – 68.19:1).

(d) “Capital expenditures from continuing operations” is as reported as “Additions to property, plant and equipment” on the interim condensed consolidated statements of cash flows.

(e) “Average realized gold price per ounce from continuing operations” is defined as gold metal sales from continuing operations divided by total gold ounces sold from continuing operations.

(f) “Production cost of sales from continuing operations per equivalent ounce sold” is defined as production cost of sales divided by total gold equivalent ounces sold from continuing operations.

(g) Total gold equivalent ounces produced and sold and attributable gold equivalent ounces produced and sold include results from the Kupol and Dvoinoye mines up to their disposal, and from the Chirano mine up to June 30, 2022.

(h) On June 15, 2022, the Company announced that it had completed the sale of its Russian operations, which includes the Kupol and Dvoinoye mines and the Udinsk project. In the second quarter of 2022, the Company announced its plan to sell the Chirano mine in Ghana. Results for the three and six months ended June 30, 2022 and 2021 are from continuing operations and exclude results from the Company’s Chirano and Russian operations due to the classification of these operations as discontinued as at June 30, 2022.

The following operating and financial results are based on second-quarter gold equivalent production and exclude Russian and Ghanaian operations except where noted:

Production: Kinross produced 453,978 Au eq. oz. in Q2 2022 from continuing operations, a 19% increase compared with 381,474 Au eq. oz. in Q2 2021. The year-over-year increase was largely due to Tasiast, which had higher grades and throughput.

Average realized gold price: The average realized gold price from continuing operations in Q2 2022 was \$1,872 per ounce, compared with \$1,814 per ounce in Q2 2021.

Revenue: During the second quarter, revenue from continuing operations increased to \$821.5 million, compared with \$707.9 million during Q2 2021.

Production cost of sales: Production cost of sales from continuing operations per Au eq. oz. sold increased to \$1,027 for the quarter, compared with \$850 in Q2 2021, mainly as a result of inflationary cost pressures across the portfolio and an increase in waste stripping. The Company expects cost of sales per ounce sold to decrease in the second half of the year due to stronger production, notably at Tasiast, Paracatu and La Coipa, Kinross’ lowest cost mines.

Production cost of sales from continuing operations per Au oz. sold on a by-product basis was \$1,018 in Q2 2022, compared with \$840 in Q2 2021, based on gold sales of 434,086 ounces and silver sales of 413,175 ounces.

Margins<sup>3</sup>: Kinross’ margin from continuing operations per Au eq. oz. sold was \$845 for Q2 2022, compared with the Q2 2021 margin of \$964.

All-in sustaining cost<sup>2</sup>: All-in sustaining cost from continuing operations per Au eq. oz. sold was \$1,341 in Q2 2022, compared with \$1,150 in Q2 2021.

In Q2 2022, all-in sustaining cost from continuing operations per Au oz. sold on a by-product basis from continuing operations was \$1,335, compared with \$1,143 in Q2 2021.

Operating cash flow: Adjusted operating cash flow from continuing operations<sup>2</sup> increased to \$251.9 million in Q2 2022, compared with \$250.0 million for Q2 2021.

Operating cash flow from continuing operations<sup>4</sup> was \$257.1 million for Q2 2022, compared with \$277.0 million for Q2 2021.

Free cash flow<sup>2</sup>: Free cash flow from continuing operations increased 12% to \$107.7 million in Q2 2022 compared with \$96.3 million for Q2 2021. The increase in free cash outflow was mainly due to lower capital expenditures during the quarter.

Earnings: Adjusted net earnings from continuing operations<sup>2,6</sup> were \$37.4 million, or \$0.03 per share, for Q2 2022, compared with \$66.5 million, or \$0.05 per share, for Q2 2021.

Reported net loss<sup>5</sup> from continuing operations was \$9.3 million, or \$0.01 per share for Q2 2022, compared with reported net earnings of \$30.1 million, or \$0.02 per share, for Q2 2021. The net loss was mainly due to a decrease in operating earnings and an increase in income tax expense.

Capital expenditures: Capital expenditures from continuing operations decreased to \$149.4 million for Q2

2022, compared with \$180.7 million for Q2 2021. The decrease was primarily due to mine sequencing at Round Mountain and Tasiast involving an increase in operating waste mined and a decrease in capital stripping. These decreases were partially offset by increased expenditures for development activities at La Coipa and an increase in capital stripping at Bald Mountain.

### **Balance sheet**

As of June 30, 2022, Kinross had cash and cash equivalents of \$719.1 million, compared with \$531.5 million at December 31, 2021. The increase was primarily due to cash received on completion of the sale of the Company's Russian assets.

During the quarter, the Company repaid \$120.0 million of debt, including \$100.0 million of the outstanding balance on its revolving credit facility. In July 2022, Kinross repaid an additional \$100.0 million of the drawn amount from its revolving credit facility. Kinross will prioritize paying down debt to continue strengthening its investment-grade balance sheet.

As of June 30, 2022, the Company had additional available credit<sup>9</sup> of approximately \$1.4 billion and total liquidity<sup>7</sup> of approximately \$2.1 billion.

### **Operating results**

Mine-by-mine summaries for 2022 second-quarter operating results may be found on pages 14 and 18 of this news release. Highlights include the following:

At Tasiast, production was largely in line with the previous quarter's record performance. In June, mill throughput averaged approximately 21,000 tonnes per day, with the site averaging similar rates in July 2022. Mill throughput, grades and recoveries are all expected to improve over the second half of the year, driving an increase in production. Tasiast is on track to produce more than 600,000 Au eq. oz. for full-year 2022. Cost of sales per ounce sold was higher compared with Q1 2022 and Q2 2021 mainly due to higher operating waste mined and inflationary pressures on consumables. Cost of sales per ounce sold is expected to decrease in the second half of the year with the anticipated increase in production.

At Paracatu, production was higher over the previous quarter primarily due to stronger mill throughput and grades. Production was lower compared with the same period last year mainly due to the expected lower grades from planned stockpile mining and the timing of ounces processed through the mill. The site mine plan consists of mining higher grade ore in the second half of the year to drive an increase in production. Paracatu achieved grades of approximately 0.45 g/t in July 2022, with planned grades for the second half of the year 30% higher than the first half. Cost of sales per ounce sold during the quarter decreased compared with Q1 2022 mainly due to the increase in gold ounces sold, and was higher year-over-year as a result of inflationary pressure on consumables, labour and maintenance, as well as unfavourable foreign exchange movements.

At Fort Knox, production increased compared with Q1 2022 and Q2 2021 as a result of higher mill grades and mill throughput, and more ounces recovered from the heap leach pads. Cost of sales per ounce sold was lower compared with the previous quarter primarily as a result of more gold ounces sold, and was higher compared with Q2 2021 mainly due to inflationary pressure on consumables.

At Round Mountain, production increased quarter-over-quarter mainly due to more ounces recovered from the heap leach pads, and decreased year-over-year primarily due to fewer ounces recovered from the heap leach pads. Cost of sales per ounce sold increased compared with Q1 2022 and Q2 2021 mainly due to inflationary effects on mining costs, with fewer gold ounces sold and higher operating waste mined also contributing to the increase year-over-year.

The Company continues to advance the Round Mountain mine optimization program, which is on schedule to be completed later this year. The program is optimizing the mine plan sequence for Phase W, which is expected to be divided into four parts. Mining for the first two parts is ongoing and is expected to continue over the next two to three years as part of the open-pit mining plan. Phase S mining is now expected to start early next year as part of the optimized mining sequence, with permits now in hand. Longer-term mine plan scenarios post-2024 are analyzing optimized stripping requirements for the third and fourth parts of Phase W mining. Underground mining potential is also being evaluated for the deeper portions of Phase W and Phase X. Plans for the development of an exploration drift at Phase X continue to advance well, with construction expected to begin in Q4 2022.

At Bald Mountain, production increased over Q1 2022 and Q2 2021 mainly due to an increase in ounces

recovered from the heap leach pads, with higher grades contributing to the increase year-over-year. Cost of sales per ounce sold increased compared with Q1 2022 mainly due to inflationary pressure and was lower compared with Q2 2021 mainly due to a decrease in operating waste mined.

At La Coipa, the mine produced 7,414 Au eq. oz. during the quarter at a cost of sales of \$789 per Au eq. oz. sold. Production during the quarter was lower than expected due to temporary delays in the mill ramp-up, primarily due to issues with the pumps and global supply chain challenges affecting availability of spare parts. The Company expects the mill ramp-up to increase during the second half of the year and significantly increase production. Mining activity at La Coipa advanced on plan during the quarter, with ore stockpiled and available for processing for the expected increase in mill ramp-up. La Coipa now expects to reach full mill capacity in Q4 2022 and does not expect the mill ramp-up delays to impact its life of mine production estimates. Kinross continues to study opportunities to further extend mine life by incorporating adjacent pits into the mine plan.

## **Development projects**

### **Tasiast**

At the Tasiast 24k project, the process plant continues to regularly reach throughput of 21,000 tonnes per day (t/d) and averaged 21,000 t/d during June 2022. The second phase of the project is continuing to progress on schedule to reach throughput of 24,000 t/d by mid-2023, with engineering now substantially complete and construction of the third leach tank 90% complete. Purchase orders have been placed for all major procurement packages, and the contracting process is ramping up and proceeding well.

The 34 MW Tasiast solar power plant project is continuing to advance and is expected to be completed in the second half of 2023. Engineering for the project has commenced and the procurement process is well underway, with key contracts awarded. Initial site activities are expected to start in Q4 2022. The solar project is expected to provide approximately 20% of the site's power and reduce GHG emissions by approximately 530 Kt over the life of mine, which could save approximately 180 million litres of fuel over the same period.

### **Great Bear**

The Company continues to make excellent progress at the world-class Great Bear project in Red Lake, Ontario and expects to declare an initial mineral resource as part of its 2022 year-end results.

Drilling results continue to support the view of a high-grade deposit that underpins a large, long-life mining complex. Results have also confirmed gold mineralization with good widths and high grades, including high-grade mineralization at depths of more than 500 metres. These results support the view that the LP Fault zone, the largest discovery to date at the project, can support a sizeable, long-life, open-pit mine. The Company has received additional assay results since its last update on June 28, 2022, with a selection of the new results from targets at the LP Fault zone highlighted in the table below (see Appendix A for full results).

To date, Kinross has drilled approximately 100,000 metres and is on track to complete 200,000 metres of exploration and infill drilling in 2022 at the LP Fault zone. The 35,000-metre grade control drilling program has now been completed, confirming the Company's view of the high-grade core in the LP Fault zone. The program has improved Kinross' understanding of the continuity and distribution of the high grade intercepts in the LP Fault zone.

Baseline environmental surveys and local community socio-economic studies required for the permitting process are progressing well and all key work packages have been awarded for scoping-level engineering work. Kinross continues to advance its comprehensive local community outreach and engagement program, with a focus on the Wabauskang and Lac Seul First Nations, on whose traditional territories the project is located. The Company is on schedule to commence a Great Bear pre-feasibility study in 2023.

Hole ID (m) (g/t)	Width (m) Target	From (m) True Width (m)	To Width (m)	Au					
BR-559		234.8	251.0	16.3	14.0	0.58			Au
BR-559	and	294.5	299.1	4.7	3.7	0.49			
BR-559	and	325.8	348.9	23.2	21.5	1.97			
BR-559	and	364.6	367.5	2.9	2.6	121.57			
BR-559	and	413.2	416.6	3.4	2.8	1.22			
BR-559	and	451.2	455.3	4.1	3.4	1.47			
BR-573		556.8	565.6	8.8	8.3	12.17			Yaur
BR-573	and	600.6	620.7	20.1	17.7	0.57			
BR-573	and	700.0	703.2	3.2	3.0	1.12			
BR-586		629.8	651.5	21.7	18.4	0.56			Yau
BR-586	and	667.5	745.8	78.3	72.0	2.30			
BR-586	including		669.9	677.5	7.6	7.2	9.38		
BR-586	and including		692.8	700.3	7.5	6.8	8.97		
BR-586	and	770.6	774.8	4.2	3.9	0.69			
BR-586	and	795.8	816.0	20.3	18.0	5.81			
BR-586	including		798.0	800.4	2.4	2.0	41.86		
BR-586	and	828.1	838.5	10.4	8.6	0.84			
BR-602		129.0	132.6	3.6	3.5	4.99			Yaur
BR-602	including		129.8	130.6	0.8	0.8	20.50		
BR-602	and	150.0	157.0	7.0	6.1	0.38			
BR-602	and	168.0	221.8	53.8	51.6	0.42			
BR-602	and	239.2	291.9	52.7	45.8	0.56			
BR-602	and	352.4	353.4	1.0	0.8	14.90			
BR-605		99.0	119.0	20.0	17.0	0.89			Yaur
BR-605	and	146.0	194.0	48.0	40.8	3.83			
BR-605	including		150.0	155.5	5.5	4.6	8.00		
BR-605	and including		188.0	193.0	5.0	4.5	12.17		
BR-605	and	244.0	260.5	16.5	15.5	4.34			
BR-605	including		258.5	259.5	1.0	0.9	51.20		
BR-605	and	272.0	309.5	37.5	32.6	1.46			
BR-605	including		285.2	287.2	2.0	1.6	12.33		
BR-605	and	322.9	354.0	31.1	29.2	0.44			
BR-605	and	389.0	400.9	11.9	11.3	0.31			
BR-605	and	416.4	432.0	15.6	13.8	0.39			
BR-605	and	443.3	460.5	17.2	16.0	0.50			
BR-605	and	486.0	523.8	37.8	31.4	0.36			
BR-608		260.2	281.0	20.8	16.8	6.46			Yau
BR-608	including		268.9	280.5	11.6	10.7	11.46		
BR-608	and	334.1	362.0	27.9	23.2	0.58			
BR-608	and	383.0	385.5	2.5	2.0	3.42			

Results are preliminary in nature and are subject to on-going QA/QC.

See Appendix B for a LP Fault zone long section.

View an interactive 3D model of the Great Bear project here:

<https://vrify.com/decks/11758?auth=af709cc9-5f96-4165-8a1d-0b29e33ef12a>

## Manh Choh

The Company announced that it is proceeding with development of the 70%-owned Manh Choh project in Alaska with the completion of the project feasibility study (FS) ahead of schedule. The project is expected to increase Kinross' production profile in Alaska by a total of approximately 640,000 attributable Au eq. oz. over the life of mine at lower costs. Including Manh Choh, the Company expects to produce an average of approximately 400,000 attributable Au eq. oz. per year from 2024 to 2027 from its Alaskan assets.

The early works program has begun at the project, with camp refurbishments and preparation for construction activities now underway. The Company is also continuing its comprehensive community programs and prioritizing local economic benefits as it develops the project. Permitting activities are advancing well, with major permit applications submitted in December 2021 and regulatory reviews well underway. Production is expected to commence in the second half of 2024 with a mine plan that consists of

two small, open pits that will be mined concurrently over 4.5 years.

The FS outlines the plan to batch process high-grade Manh Choh ore at the Fort Knox mill, with grades expected to be approximately 8 g/t, or 10 times the current average mill grade at Fort Knox. The FS plan expects to lower Fort Knox's average life of mine all-in sustaining cost and increase cash flow. By utilizing existing infrastructure, the FS plan unlocks the project's value and avoids the construction of a mill or tailings facilities to reduce environmental disturbance at the project site.

#### Kinross Alaska estimates – 100% Fort Knox and Gil + 70% Manh Choh<sup>10</sup>

Timeline (current mine plan + 70% of Manh Choh) 2024 – 2027 (Mining)	Operational metric	Combined estimate
	Average annual production (Au oz.)	400,000
	Average production cost of sales (per Au eq. oz.)	\$950
	Average all-in sustaining costs <sup>11</sup> (per Au eq. oz.)	\$1,100
	Average grade processed (g/t)	0.45
	Strip ratio	0.51
	Average processing cost (per tonne)	\$3.50
	Average mining cost (per tonne)	\$3.50
	Average annual tonnes mined (tonnes)	55 million

#### Manh Choh feasibility study highlights<sup>10</sup>

##### Manh Choh 70% Basis

Operational metric	Incremental Manh Choh estimate <sup>12</sup>
Life of mine production (million Au eq. oz.)	0.64
Life of mine ore processed (million tonnes)	2.8
Average gold equivalent grade processed (g/t)	8.06
Strip ratio	11.6
Initial capital costs <sup>13</sup> (million) (2022-2024)	\$150
Average production cost of sales <sup>14</sup> (per Au eq. oz.)	\$720
Average all-in sustaining costs <sup>11, 14</sup> (per Au eq. oz.)	\$900
Internal rate of return <sup>14, 15</sup> (IRR)	23%
Net present value <sup>14, 16</sup> (NPV) (million)	\$90
Cash flow (million)	\$135

The project is expected to generate an IRR<sup>15</sup> of 23% and NPV<sup>16</sup> of \$90 million based on a gold price of \$1,500 per ounce, and an IRR<sup>15</sup> of 40% and NPV<sup>16</sup> of \$195 million based on a gold price of \$1,800 per ounce.

#### Manh Choh project gold price sensitivity estimates (incremental)

Average gold price				
Financial Metric	\$1,400/oz.	\$1,500/oz.	\$1,600/oz.	\$1,700/oz.
IRR <sup>15</sup>	15%	23%	30%	35%
NPV <sup>16</sup>	\$45 million	\$90 million	\$135 million	\$165 million

As a result of an updated resource model, approximately 698 Au koz. at 7.88 g/t were added to Kinross' probable mineral reserve estimates. Approximately 1,203 Ag koz. at 13.58 g/t were also added to the Company's probable mineral reserves<sup>17</sup>. The Company now expects the average gold equivalent grade processed from Manh Choh to be 8.06 g/t, compared with previous estimates of approximately 6.0 g/t. See Appendix C for details.

The higher grades are expected to offset some recent inflationary pressures, which are reflected in the project's capital expenditures and operating cost estimates. Initial capital expenditures are expected to be \$190 million, with total capital expenditures of approximately \$255 million, both on a 100% basis. On a 70% basis, and factoring in an administration credit to Kinross as part of the Manh Choh joint venture agreement, total capital expenditures are expected to be approximately \$190 million.

**Forecast Manh Choh initial capital costs (2022 – 2024) Attributable Basis**  
**70% Manh Choh; 100% Fort Knox**

(\$ millions)	Absolute Basis			
100% Manh Choh;				
100% Fort Knox				
(\$ millions)				
Manh Choh Mine Access Road & Other Earthworks			40	60
Fort Knox Mill Modifications	35	35		
Manh Choh Mine Camp, Infrastructure & Facilities			20	25
Indirect Costs	25	30		
Contingency	30	40		
Total Initial Capital	150	190		
Highway ore transport	20	30		
Pre-production Capitalized Stripping		10	15	
Pre-production G&A and Admin Fee		10	20	
<b>TOTAL PRE-PRODUCTION CAPITAL</b>		<b>190</b>	<b>255</b>	

The project has strong support from the Native Village of Tetlin, on whose land the project is located, with an extension of the community support agreement signed earlier this year. Manh Choh is expected to generate 400 to 600 new jobs, support the more than 700 existing jobs at Fort Knox, and build on Kinross' commitment to environmental stewardship and strong history of responsible mining in Alaska. Since 2010, Kinross has generated more than \$3.5 billion in economic benefits to the state through procurement, taxes, wages, community programs and donations, providing meaningful livelihoods for employees and opportunities for local suppliers. The project is also expected to lower the GHG emissions intensity for Kinross Alaska's operations, supporting the Company's GHG reduction goals.

**Manh Choh project oil sensitivity estimates (incremental)**

Oil price						
Financial Metric		\$60/bbl	\$70/bbl	\$80/bbl	\$90/bbl	\$100/bbl
IRR14	24%	23%	22%	21%	20%	
NPV15	\$95 million		\$90 million		\$85 million	\$80 million

**Lobo-Marte**

Following the completion of a feasibility study for the Lobo-Marte project in Chile in November 2021, the Company continues to believe in the project's long-term development potential as a large, low-cost mine. As previously disclosed, project timing would be dependent on the conclusion of mining at La Coipa, which is located approximately 50 kilometres northwest of Lobo-Marte. Other factors that may impact a go-forward decision include the gold price, economic returns, permitting, and other priorities in the Company's portfolio and potential opportunities in the region.

**Round Mountain Gold Hill exploration**

At the Gold Hill exploration project in Nevada, which is located approximately seven kilometres northeast of Round Mountain, exploration drilling has extended the main and Alexandria veins over 300 metres and 200 metres down dip. New geophysical data confirms multiple deposit-scale trends along strike at Gold Hill and results shows significant strike continuity and the open, un-tested nature of the trend.

**Curlew Basin exploration**

At the Curlew exploration project in Washington State, which is located approximately 35 kilometres north of the Company's Kettle River mill by paved road, drilling from underground has improved the understanding of mineralized vein orientations. In addition to results from the Stealth and Galaxie targets at Curlew, the Lower Portal drill results have shown excellent growth potential to the project's resource growth. Curlew encompasses a 6.5-square-kilometre area and Kinross is on schedule to declare a total mineral inventory of

1 million Au oz. by year-end 2022 at the project.

### Company guidance

The following section of the news release represents forward-looking information and users are cautioned that actual results may vary. We refer to the risks and assumptions contained in the Cautionary Statement on Forward-Looking Information on page 33 of this news release. This Company Guidance section references all-in sustaining cost per equivalent ounce sold, which is a non-GAAP ratio with no standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other issuers. The definition of this non-GAAP ratio and comparable reconciliation is included on pages 19 to 24 of this news release.

The Company's Russian and Ghanaian assets have been excluded from its guidance due to the classification of these assets as discontinued as at June 30, 2022.

As Kinross' share of Chirano (90%) is excluded from guidance, all guidance figures are no longer on an attributable basis, but on a total basis.

### Production guidance

The Company expects to be at the low end of its +/- 5% range for its 2022 production guidance of 2.15 million Au eq. oz. The Company continues to expect significantly higher production in the second half of the year, which is largely driven by increased production at Paracatu, Tasiast and La Coipa. While Kinross continues to expect significantly higher production at La Coipa as it increases mill ramp-up in the second half of the year, production during the second quarter was lower than expected due to a temporary delay in the mill ramp-up.

The Company expects production to increase to 2.3 million Au eq. oz. (+/- 5%) in 2023, and 2024 production to be 2.1 million Au eq. oz. (+/- 5%). The 2024 production guidance does not include expected production from the Manh Choh project.

Kinross expects to maintain a substantial production profile with estimated average production of two million Au eq. oz. per year over the remainder of the decade.

Annual gold equivalent production guidance  
(+/- 5%)

2022 2.15 million oz.

2023 2.3 million oz.

2024 2.1 million oz.

### Cost guidance<sup>18</sup>

The Company expects its 2022 production cost of sales to be approximately \$900 per Au eq. oz. sold and all-in sustaining cost to be approximately \$1,240 per Au eq. oz. sold<sup>2</sup> mainly due to inflationary pressures across the portfolio and the impact of the temporary delay in La Coipa's mill ramp-up. Consolidated production cost of sales was \$832 per Au eq. oz. sold and attributable all-in sustaining cost of sales was \$1,138 per Au eq. oz. sold for the year ended December 31, 2021. Kinross' previous 2022 guidance for cost of sales per Au eq. sold and all-in sustaining costs per Au eq. sold was \$830 and \$1,150 (+/- 5%), respectively.

The Company continues to expect costs to decrease during the second half of the year largely due to the anticipated increase in production.

### 2022 Guidance<sup>18</sup> 2021 Actual

Production cost of sales per Au eq. oz.	~\$900	\$832
All-in sustaining cost per Au eq. oz. <sup>2</sup>	~\$1,240	\$1,138

### Capital expenditures guidance

Kinross expects to meet its 2022 capital expenditures guidance of \$850 million (+/- 5%). The Company has maintained its capital expenditures outlook for 2023 and 2024 of approximately \$750 million per year, excluding inflationary impacts and based on Kinross' current production guidance. The 2023 to 2024 capital

expenditures guidance does not include the Manh Choh and Great Bear projects.

### **Completed divestment of Russian assets**

On June 15, 2022, Kinross announced that it had completed the sale of 100% of its Russian assets to the Highland Gold Mining group of companies for total consideration of \$340 million in cash. Kinross received \$300 million in U.S. denominated cash in its corporate account at closing and will receive a deferred payment of \$40 million on the one-year anniversary of closing.

As disclosed on April 5, 2022, the previously agreed total consideration for the transaction was \$680 million, which included a payment of \$100 million upon closing, with the remaining \$580 million scheduled to be received in annual payments from 2023 through to 2027. The transaction consideration was adjusted by the parties following a review by the Russian Sub-commission on the Control of Foreign Investments, which approved this transaction for a purchase price not exceeding \$340 million. With the approval and completion of the sale, Kinross has divested all of its interests in Russia and has no further obligations or liabilities in the country.

### **Update on divestment of Ghanaian assets**

On April 25, 2022, Kinross announced the sale of its 90% interest in the Chirano mine in Ghana to Asante Gold Corporation for total consideration of \$225 million in cash and shares. The sale is now expected to close in August 2022.

### **Environment, Social and Governance (ESG) update**

Kinross published its second annual Climate Report, providing comprehensive climate-related disclosures and the Company's GHG emissions data for 2021. The Report outlines the Company's progress towards meeting the goals of the United Nations Framework Convention on Climate Change (UNFCCC) Paris Agreement. Click here to access the Climate Report: <https://www.kinross.com/2021-Climate-Report>

Kinross has committed to being a net-zero GHG emissions company by 2050. In early 2022, the Company also delivered its multi-faceted Climate Change Strategy, which outlines a comprehensive GHG reduction plan. As part of the strategy, Kinross has set an interim target to achieve a 30% reduction in intensity per ounce produced of Scope 1 and Scope 2 emissions by 2030 over its 2021 baseline of 970 kg of CO<sub>2</sub>e per Au eq. oz. produced.

Kinross has been reporting on climate-related data since 2005, and began reporting in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020 with its inaugural Climate Report. The Climate Report follows the recommended TCFD framework, providing investors and broader stakeholders with timely information about Kinross' global efforts to address climate change and manage climate-related risks to its business.

In the important area of health and safety, a tragic employee fatality occurred at the Tasiast mine on July 19, 2022. An investigation has commenced, in cooperation with authorities, to determine the root cause of the incident and to avoid such tragic incidents in the future. The Company will continue to prioritize safety and is undertaking steps to enhance its risk management and safety systems at Tasiast and across its global operations.

### **Conference call details**

In connection with this news release, Kinross will hold a conference call and audio webcast on Thursday, July 28 2022 at 8:00 a.m. EDT to discuss the results, followed by a question-and-answer session. To access the call, please dial:

Canada & US toll-free – (888) 330-2446; Passcode: 4915537  
Outside of Canada & US – (825) 312-2059; Passcode: 4915537

Replay (available up to 14 days after the call):

Canada & US toll-free – (800) 770-2030; Passcode: 4915537  
Outside of Canada & US – +1 (647) 362-9199; Passcode: 4915537

You may also access the conference call on a listen-only basis via webcast at our website [www.kinross.com](http://www.kinross.com).

The audio webcast will be archived on [www.kinross.com](http://www.kinross.com).

This release should be read in conjunction with Kinross' 2022 second-quarter unaudited Financial Statements and Management's Discussion and Analysis report at [www.kinross.com](http://www.kinross.com). Kinross' 2022 second-quarter unaudited Financial Statements and Management's Discussion and Analysis have been filed with Canadian securities regulators (available at [www.sedar.com](http://www.sedar.com)) and furnished with the U.S. Securities and Exchange Commission (available at [www.sec.gov](http://www.sec.gov)). Kinross shareholders may obtain a copy of the financial statements free of charge upon request to the Company.

## About Kinross Gold Corporation

Kinross is a Canadian-based global senior gold mining company with operations and projects in the United States, Brazil, Mauritania, Chile, Ghana and Canada. Our focus on delivering value is based on our core principles of responsible mining, operational excellence, disciplined growth and balance sheet strength. Kinross maintains listings on the Toronto Stock Exchange (symbol:K) and the New York Stock Exchange (symbol:KGC).

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*1 Production cost of sales from continuing operations per equivalent ounce sold" is defined as production cost of sales, as reported on the interim condensed consolidated statements of operations, divided by total gold equivalent ounces sold from continuing operations.*

*2 These figures are non-GAAP financial measures and ratios, as applicable, and are defined and reconciled on pages 19 to 24 of this news release. Non-GAAP financial measures and ratios have no standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other issuers.*

*3 "Margins" from continuing operations per equivalent ounce sold is defined as average realized gold price per ounce from continuing operations less production cost of sales from continuing operations per gold equivalent ounce sold.*

*4 Operating cash flow figures in this release represent "Net cash flow of continuing operations provided from operating activities," as reported on the interim condensed consolidated statements of cash flows.*

*5 Reported net (loss) earnings figures in this news release represent "Net (loss) earnings from continuing operations attributable to common shareholders," as reported on the interim condensed consolidated statements of operations.*

*6 Adjusted net earnings figures in this news release represent "Adjusted net earnings from continuing operations attributable to common shareholders."*

*7 "Total liquidity" is defined as the sum of cash and cash equivalents, as reported on the interim condensed consolidated balance sheets, and available credit under the Company's credit facilities (as calculated in Section 6 – Liquidity and Capital Resources of Kinross' MD&A for the three and six months ended June 30, 2022).*

*8 Results as previously reported for the year ended December 31, 2021 include Ghanaian and Russian operations. Production cost of sales per equivalent ounce sold for the year ended December 31, 2021 is "Consolidated production cost of sales per equivalent ounce sold" and is defined as production cost of sales, as reported on the consolidated statements of operations for the year ended December 31, 2021, divided by total gold equivalent ounces sold. Attributable all-in sustaining cost per equivalent ounce sold of \$1,138 for the year ended December 31, 2021 includes Kinross' share of Chirano (90%) production and costs. The definition and reconciliation of this non-GAAP ratio is included on page 21 of this news release.*

*9 "Available credit" is defined as available credit under the Company's credit facilities and is calculated in Section 6 – Liquidity and Capital Resources of Kinross' MD&A for the three and six months ended June 30, 2022.*

*10 Based on a \$1,500 per ounce gold price assumption, \$18.75 per ounce silver price and \$70/bbl oil price*

*assumption. July 1, 2022 to December 31, 2030 unless noted otherwise.*

*11 All-in sustaining cost per equivalent ounce sold for non-producing projects are forward-looking non-GAAP ratios without historical equivalents. All-in sustaining cost per equivalent ounce sold is calculated as all-in sustaining cost divided by gold equivalent ounces sold. All-in sustaining cost is a non-GAAP financial measure. Non-GAAP financial measures and ratios have no standardized meaning under IFRS and therefore, may not be comparable to similar measures presented by other issuers. For definition and purpose of this measure and ratio, please refer to pages 19 to 24 of this news release.*

*12 Incremental view for Manh Choh, including attributable portion of JV and synergistic value to Fort Knox.*

*13 Initial capital excludes pre-production G&A, capitalized waste stripping, highway ore transport capital. 70% Manh Choh and 100% of Fort Knox.*

*14 Includes toll milling profit and admin fee from the JV that will be realized by Fort Knox.*

*15 Throughout this news release, calculated from January 1, 2022 forward and after tax.*

*16 Throughout this news release, calculated based on a 5% discount rate from January 1, 2022 and after tax.*

*17 Refer to Appendix C for additional information on Manh Choh's updated mineral reserve and mineral resource estimates. The optimization for the mineral reserve estimates at Manh Choh assumed a \$1,300 per ounce gold price.*

*18 Based on a gold price of \$1,800 per ounce and an oil price of \$100 per barrel (including a \$10 per barrel change in the price of oil would be expected to result in an approximate \$4 impact on fuel consumption costs on production cost of sales per ounce), as disclosed in Kinross' Q1 2022 results news release from May 10, 2022. The other key assumptions and sensitivities disclosed in the Company's original guidance on February 16, 2022 have not changed.*

*19 Results as previously reported for the year ended December 31, 2021 include Ghanaian and Russian operations. Production cost of sales per equivalent ounce sold for the year ended December 31, 2021 is "Consolidated production cost of sales per equivalent ounce sold" and is defined as production cost of sales, as reported on the consolidated statements of operations for the year ended December 31, 2021, divided by total gold equivalent ounces sold. Attributable all-in sustaining cost per equivalent ounce sold of \$1,138 for the year ended December 31, 2021 includes Kinross' share of Chirano (90%) production and costs. The definition and reconciliation of this non-GAAP ratio is included on page 21 of this news release.*

## Review of operations

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<https://www.globenewswire.com/en/news-release/2022/07/27/2487366/0/en/Kinross-reports-2022-second-quarter-resu>

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