KINROSS GOLD CORP
Form F-4/A
July 02, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 2, 2004
SEC FILE NO. 333-111516

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3
TO
FORM F-4

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

KINROSS GOLD CORPORATION
(Exact name of registrant as specified in its charter)

ONTARIO, CANADA	1041	650430083
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

52ND FLOOR SCOTIA PLAZA, 40 KING STREET WEST
TORONTO, ONTARIO CANADA M5H 3Y2 (416) 365-5123
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

JOHN IVANY
52ND FLOOR SCOTIA PLAZA, 40 KING STREET WEST
TORONTO, ONTARIO CANADA M5H 3Y2 (416) 365-5123
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this registration statement and the completion of the merger between Crown Merger Corporation, a wholly-owned subsidiary of Kinross Gold Corporation, and Crown Resources Corporation.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maxi Aggregate Offering Pric
Common Shares, no par value	14,441,460	$7.798	$ 112,614,6

(1) Based on (i) (a) 20,488,101 shares of common stock, par value $0.01 per share, of Crown Resources Corporation ("Crown") outstanding as of December 9, 2003, (b) convertible debt, convertible into 12,329,527 shares of Crown common stock as of December 9, 2003, (c) warrants to acquire up to 13,413,333 shares of Crown common stock as of December 9, 2003, and (d) options to acquire 3,379,000 shares of Crown common stock as of December 9, 2003; and (ii) an exchange ratio of 0.2911 Kinross Gold Corporation common shares for each share of Crown common stock pursuant to the merger described herein.

(2) Pursuant to Rules 457(f)(1) and 457(c) under the Securities Act and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is equal to the aggregate market value of the approximate number of shares of Crown common stock to be converted in the merger (calculated as set forth in note (1) above) based upon a market value of $2.27 per share of Crown common stock, the average of the bid and asked price per share of Crown common stock on the OTC Bulletin Board on December 22, 2003.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED JULY 2, 2004

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. KINROSS GOLD CORPORATION MAY NOT SELL THE SECURITIES OFFERED BY THIS PROXY STATEMENT/PROSPECTUS UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL AND IT IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES

IN ANY JURISDICTION WHERE AN OFFER OR SOLICITATION IS NOT PERMITTED.

[LOGO] CROWN RESOURCES

[____________, 2004]

Dear Shareholder of Crown Resources Corporation:

Crown Resources Corporation ("Crown") and Kinross Gold Corporation ("Kinross") have agreed to the acquisition of Crown by Kinross under the terms of a merger agreement. Crown's board of directors is recommending approval of the plan of merger because it believes the merger will benefit Crown's shareholders by creating greater shareholder value and by allowing shareholders to participate in a larger, more diversified company. Certain of the members of the board of directors of Crown are subject to a potential conflict of interest in connection with the proposed merger. See the discussion in the attached Proxy Statement/Prospectus under the caption "The Merger--Interests of Certain Individuals."

Under the terms of the merger agreement, each share of Crown common stock will be converted into 0.2911 of a Kinross common share. Kinross will not issue fractional shares and will pay cash in lieu thereof. Kinross estimates that it will issue up to approximately 13.5 million Kinross common shares on a fully-diluted basis in the merger and that immediately after the merger Crown shareholders will hold up to approximately 3.9% of the then outstanding Kinross common shares, based on the 345,929,995 million Kinross common shares outstanding on March 31, 2004. Kinross common shares are listed and traded on the Toronto Stock Exchange under the symbol "K" and on the New York Stock Exchange under the symbol "KGC."

The proposed merger is subject to the approval of the Crown shareholders and the Proxy Statement/ Prospectus attached to this letter is being sent to you in order to solicit your support of the merger. The Proxy Statement/Prospectus contains detailed information about the proposed merger and related matters. We encourage you to read the entire Proxy Statement/Prospectus, including the appendices, carefully prior to voting. YOU SHOULD PAY PARTICULAR ATTENTION TO THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 10.

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing, signing, dating, and mailing the enclosed proxy card to Crown or by providing voting instructions to your broker.

On behalf of Crown's board of directors, I thank you for your support and appreciate your consideration of this matter.

Sincerely yours,

/s/

Christopher Herald
President and CEO
Crown Resources Corporation

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE COMMISSION HAS APPROVED OR DISAPPROVED THE KINROSS COMMON SHARES DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Proxy Statement/Prospectus is dated [__________________, 2004], and is first being mailed to Crown shareholders on or about [__________, 2004].

ADDITIONAL INFORMATION

Kinross and Crown file annual, quarterly and other reports and other information with the Securities and Exchange Commission, or SEC. For a listing of the documents available from the SEC, Kinross and Crown, please see the section entitled "Where You Can Find More Information" beginning on page 262.

Kinross will provide you with copies of the information relating to Kinross, without charge, upon written or oral request to Shelley M. Riley, Corporate Secretary:

Kinross Gold Corporation
52nd Floor, Scotia Plaza
40 King Street West
Toronto, Ontario, CANADA M5H 3Y2
Telephone: (416) 365-5198

Crown will provide you with copies of this information relating to Crown, without charge, upon written or oral request to James R. Maronick, Chief Financial Officer:

Crown Resources Corporation
4251 Kipling Street, Suite 390
Wheat Ridge, Colorado 80033
Telephone: (303) 534-1030

IN ORDER TO RECEIVE TIMELY DELIVERY OF THE DOCUMENTS IN ADVANCE OF THE CROWN SPECIAL MEETING, KINROSS AND CROWN SHOULD RECEIVE YOUR REQUEST NO LATER THAN [________________________], 2004.

CROWN RESOURCES CORPORATION
4251 KIPLING STREET, SUITE 390
WHEAT RIDGE, COLORADO 80033

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON [__________], 2004

To the Shareholders of Crown Resources Corporation:

Notice is hereby given that a special meeting of the shareholders of Crown Resources Corporation, a Washington corporation ("Crown"), will be held on [__________], 2004, at [___:___ __].m., local time, at the offices of Crown located at 4251 Kipling Street, Suite 390, Wheat Ridge, Colorado, to consider and take action upon the following matters:

1. a proposal to approve a plan of merger among Crown, Kinross Gold Corporation, a corporation organized in the Province of Ontario, Canada ("Kinross"), and Crown Merger Corporation, a wholly-owned subsidiary of Kinross ("Crown Merger"), in accordance with the terms of the Acquisition Agreement and Agreement and Plan of Merger among Kinross, Crown, and Crown Merger, dated as of November 20, 2003, as amended, attached to the Proxy Statement/Prospectus as Appendix "A,"

such that Crown will become a wholly-owned subsidiary of Kinross upon completion of the merger;

2. a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the plan of merger; and

3. such other matters as may properly come before the meeting or any adjournment or postponement thereof.

Holders of record of shares of Crown common stock at the close of business on [__________, 2004,] the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. At the close of business on the record date, Crown had [_______] shares of common stock outstanding and entitled to vote.

Crown cannot complete the merger unless the plan of merger is approved by the affirmative vote of the holders of at least two-thirds of the shares of Crown common stock entitled to vote.

A form of proxy and a Proxy Statement/Prospectus containing more detailed information with respect to the matters to be considered at the special meeting, including a copy of the merger agreement, accompany and form a part of this notice.

Whether or not you plan to attend the special meeting, please complete, sign, date, and return the enclosed proxy card to ensure that your shares will be represented at the special meeting. If you sign, date, and return your proxy card without indicating how you wish to vote, your proxy will be counted as a vote for the approval of all proposals. Even if you have returned your proxy, you may still vote in person if you attend the special meeting.

If your shares are held of record by a broker, bank, or other nominee, you must instruct the record holder how to vote if you wish your shares to be voted. If you are not the record holder of your shares and you wish to vote at the meeting, you must obtain a proxy issued in your name from the record holder. If you fail to return your proxy or to vote in person at the special meeting, your shares will effectively count as a vote against approval of the plan of merger.

Under Washington law, Crown shareholders will have the opportunity to assert dissenters' rights of appraisal in connection with the merger. These rights are described in greater detail in the attached Proxy Statement/Prospectus.

By Order of the Board of Directors

James R. Maronick, Secretary

Wheat Ridge, Colorado
[__________], 2004

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

Q. WHY IS MY VOTE IMPORTANT?

A. The plan of merger must be approved by at least two-thirds of the shares of Crown common stock outstanding on the record date. If you do not return your proxy card or vote at the special meeting, it will be more difficult for Crown to obtain the necessary approval of the plan of merger, because your failure to vote will have the same practical effect as a vote against the plan of merger.

Q. WHAT DO I NEED TO DO NOW?

A. After you have carefully read this document, please complete, sign, and date your proxy and return it in the enclosed postage-paid return envelope as soon as possible. This will enable your shares to be represented and voted at the special meeting. If your shares are held in a brokerage account, you must provide instructions to your broker in order for your shares to be voted on the plan of merger.

Q. CAN I CHANGE MY VOTE?

A. Yes. If you are a record holder, you can change your vote at any time before your proxy is voted at the special meeting by:

- o delivering to the Secretary of Crown a signed written notice of revocation;
- o delivering to the Secretary of Crown a signed proxy card with a later date; or
- o attending the special meeting and voting in person. However, your attendance alone will not revoke your proxy.

If your shares are held in a "street name" account, you must timely contact your broker, bank, or other nominee to change your vote.

To ensure that a notice of revocation is received and acted upon, please send the notice so that it is received, at the latest, one business day before the special meeting.

Q. CAN I ATTEND THE MEETING AND VOTE MY SHARES IN PERSON?

A. Yes. All shareholders are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If your shares are held in street name, then you are not the shareholder of record and you must ask your broker, bank, or other nominee how you can vote at the meeting.

Q. IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER OR BANK, WILL MY BROKER OR BANK VOTE MY SHARES FOR ME?

A. No, your broker or bank will not vote your shares on the plan of merger unless you provide instructions on how to vote. You should follow the directions provided by your broker or bank regarding how to instruct your broker or bank to vote your shares.

Q. WHAT IF I FAIL TO INSTRUCT MY BROKER OR BANK ABOUT HOW TO VOTE?

A. Your failure to instruct your broker, bank, or other nominee to vote your shares will have the same effect as a vote against approval of the plan of merger.

Q. SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A. No. After the merger is completed, you will receive a transmittal form with instructions for the surrender of Crown stock certificates. Please do not send in your stock certificates with your proxy.

Q. WHO CAN HELP ANSWER MY QUESTIONS?

A. You should contact Christopher E. Herald at Crown Resources Corporation, 4251 Kipling Street, Suite 390, Wheat Ridge, Colorado 80033, telephone (303) 534-1030, or by e-mail to cherald@aol.com.

You also may obtain additional information about Kinross and Crown from the documents filed with the Securities and Exchange Commission or by following the instructions in the section entitled "Where You Can find More Information" on page 262.

SUMMARY

THIS SUMMARY HIGHLIGHTS MATERIAL INFORMATION ABOUT THE PROPOSED MERGER THAT IS MORE FULLY DISCUSSED ELSEWHERE IN THIS DOCUMENT. THIS SUMMARY DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. TO UNDERSTAND THE MERGER FULLY, WE ENCOURAGE YOU TO READ THE ENTIRE PROXY STATEMENT/PROSPECTUS, INCLUDING THE MERGER AGREEMENT AND THE OTHER DOCUMENTS ATTACHED AS APPENDICES TO THIS PROXY STATEMENT/PROSPECTUS. ALL INFORMATION CONCERNING KINROSS INCLUDED IN THIS DOCUMENT HAS BEEN FURNISHED BY KINROSS, AND ALL INFORMATION CONCERNING CROWN INCLUDED IN THIS DOCUMENT HAS BEEN FURNISHED BY CROWN.

THE COMPANIES

KINROSS GOLD CORPORATION

Kinross is principally engaged in the exploration for and the acquisition, development, and operation of gold bearing properties in North and South America and Russia. Kinross' principal product and source of cash flow is gold. Kinross is amalgamated under and is governed by the laws of Ontario, Canada. Kinross organized Crown Merger Corporation in the state of Washington for the sole purpose of completing the merger and the acquisition of Crown. Crown Merger has no operations or assets.

Kinross' principal offices are located at Suite 5200, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y2. Kinross' telephone number is (416) 365-5123. Kinross' corporate website is WWW.KINROSS.COM. The information on Kinross' website is not incorporated by reference into this Proxy Statement/Prospectus.

In Canada, the Kinross common shares trade on the Toronto Stock Exchange (the "TSX") under the symbol "K." The Kinross common shares trade on the New York Stock Exchange (the "NYSE") under the symbol "KGC." See "Business of Kinross" beginning on page 51.

CROWN RESOURCES CORPORATION

Crown is a precious metals exploration company. Crown's primary business has been to identify properties with promising mineral potential, acquire these properties, and explore them to an advanced state. Other than its Buckhorn Mountain Project, Crown currently has no active exploration activities and has no revenues from operations.

Crown is organized under the laws of the state of Washington. Crown's principal offices are located at 4251 Kipling Street, Suite 390, Wheat Ridge, Colorado 80033, and its telephone number is (303) 534-1030. Crown's corporate website is www.crownresources.com. The information on Crown's website is not incorporated by reference into this Proxy Statement/Prospectus. See "Business of Crown" beginning on page 23.

THE MERGER

REASONS FOR THE MERGER

Crown is the owner of a potential mining property referred to as the

Buckhorn Mountain Project. Crown has conducted exploration activities, completed a feasibility study, and begun the necessary permitting process to seek to develop the Buckhorn Mountain Project into a producing gold mine. However, Crown may lack the future financial resources necessary to complete the permitting process and does not currently have the funds required to commence mining at the Buckhorn Mountain Project site. In addition to permitting and capital costs, Crown would be obligated to obtain the required bonding in order to commence mining at the Buckhorn Mountain Project. Battle Mountain, the former joint venture partner of Crown which had previously managed the Buckhorn Mountain Project and provided significant access to financial resources, withdrew as a result of permitting delays and associated costs and transferred its interest in the Buckhorn Mountain Project to Crown in July 2001. Crown has no assurance that it would have access to the financial funding necessary to commence operations at the Buckhorn Mountain Project.

Kinross is an established gold mining company that owns the Kettle River mill, the only operating ore

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processing facility located near the Buckhorn Mountain Project and within the state of Washington. Kinross currently has access to the technical personnel and funding necessary to pursue the permitting, construction, and operation of the Buckhorn Mountain Project. The Kettle River mill and tailings facilities will be used to process the ore from the Buckhorn Mountain Project and gives Kinross unique permitting and operational synergies with the Buckhorn Mountain Project. In addition, the increase in gold prices over the past two years supports the development of the Buckhorn Mountain Project on an accelerated basis.

On the basis of the foregoing, the proposed merger substantially eliminates future permitting and financial risks to the Crown shareholders' interest in the development of the Buckhorn Mountain Project and, at the same time, permits Kinross to take advantage of the synergies between its existing operations and facilities and the Buckhorn Mountain Project. The merger terms were determined in negotiations between Crown and Kinross and are, in the opinion of Crown's board of directors, fair to the Crown shareholders. Two of the members of the board of directors of Crown who are also employees will receive termination payments in connection with the merger. See "The Merger--Reasons for the Merger--Advantages and Disadvantages" beginning on page 220 and "The Merger--Interests of Certain Individuals" at page 223.

TERMS OF THE MERGER

In the merger, Kinross will acquire complete ownership of Crown. Each outstanding share of Crown common stock will be converted into 0.2911 of a Kinross common share. Fractional shares will be paid in cash. For example, if you own 100 shares of Crown common stock, then you will receive 29 Kinross common shares, plus an amount in cash equal to the market value of 0.11 of a Kinross common share. The total number of Kinross common shares to be issued in the merger will vary depending on whether outstanding warrants to purchase Crown common stock are exercised for cash or on a cashless basis, as permitted by the terms of the Crown warrants. However, Kinross estimates that it will issue up to 13.5 million Kinross common shares in the merger. On completion of the merger, Crown shareholders will hold approximately 3.9% of the outstanding Kinross common shares and Crown will be a wholly-owned subsidiary of Kinross.

At the election of the holder of any unexercised warrant to purchase Crown common stock, the warrant will be exchanged for 0.2911 of a Kinross common share for each share of Crown common stock that would have been issued if the warrant had been exercised on a cashless basis immediately prior to the merger. If the warrant holder does not make this election, the warrant will represent the right to acquire Kinross common shares subsequent to the merger, with the number of shares and the exercise price appropriately adjusted on the basis of the merger exchange ratio.

On December 8, 2003, the Crown board of directors took action, as permitted under the Crown 2002 Stock Incentive Plan, so that all options to purchase Crown common stock not exercised as of the effective time of the merger will be terminated.

The merger is expected to be completed as soon as practicable after the special meeting.

See "The Merger" beginning on page 216.

DISSENTERS' RIGHTS IN THE MERGER

Under applicable Washington law, you may assert dissenters' rights and receive a cash payment for the fair value of your shares, but only if you comply with all requirements of Washington law as set forth in Appendix B of this Proxy Statement/Prospectus. Pursuant to your dissenters' rights under Washington law, you may seek a determination by a Washington court of the fair value of your shares. The fair value determined by the court may

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be more than, less than, or equal to the value of the consideration to be paid in the merger. Kinross' obligation to consummate the merger is conditioned upon no more than 5% of the Crown shareholders exercising dissenters' rights immediately prior to the effective time of the merger. See "The Merger--Dissenters' Rights of Appraisal" beginning on page 224.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

Parr Waddoups Brown Gee & Loveless, A Professional Corporation, counsel to Kinross, has delivered its opinion to Kinross and Crown that, based on the assumed accuracy of factual assumptions and representations of Kinross and Crown, the merger will qualify as a reorganization for U.S. federal income tax purposes, which means that Crown shareholders and warrant holders generally will not recognize any gain or loss on the merger for United States federal income purposes, except with respect to the cash, if any, received in lieu of fractional Kinross common shares. Crown shareholders who exercise and perfect their dissenters' rights will generally recognize gain or loss on the transaction as if it constituted a sale of their Crown common stock. See "Tax Consequences--United States Federal Tax Consequences" beginning on page 254.

MATERIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Cassels Brock & Blackwell LLP, counsel to Kinross, Crown shareholders and warrant holders who are not, and have not been, resident in Canada for purposes of the Income Tax Act (Canada) at any time while they have held Crown common stock and/or warrants will not be subject to Canadian federal income tax in respect of any capital gain arising on the exchange of Crown common stock or warrants for Kinross common shares or cash in lieu of a fractional Kinross common share as a result of the merger. For Crown shareholders and warrant holders who are Canadian residents, the exchange will be a taxable event so that they will realize a gain or loss, as applicable, for Canadian income tax purposes. See "Tax Consequences--Canadian Federal Tax Consequences" beginning on page 260.

RECOMMENDATION OF THE BOARD OF DIRECTORS

Crown's board of directors believes the merger is in the best interests of the Crown shareholders and has unanimously adopted the plan of merger. The Crown board unanimously recommends that the Crown shareholders vote "FOR" approval of the plan of merger. See "The Crown Special Meeting--Crown Board Recommendation" beginning on page 20. Two members of the Crown board who are also employees will receive termination payments in connection with the proposed merger. See "The Merger--Interests of Certain Individuals" beginning on page 223.

MANAGEMENT OF KINROSS AFTER THE MERGER

Kinross' directors and executive officers will not change as a result of the merger. See "The Merger" and "Management of Kinross" beginning on pages 216 and 139, respectively.

INTERESTS OF CERTAIN PERSONS IN THE MERGER

In June 2000, Crown entered into change in control agreements with each of its executive officers. Completion of the merger will be considered a change in control (as defined in the agreements) and will result in payments being made to executives. See "The Merger--Interests of Certain Individuals" beginning on page 223.

DISTRIBUTION OF SOLITARIO SHARES

Prior to the merger, Crown intends to distribute all of the 9,633,585 shares of common stock of Solitario Resources Corporation, a Colorado corporation ("Solitario"), owned by it to Crown shareholders, other than those shares of Solitario it is contractually obligated to withhold for delivery on the exercise or exchange of outstanding warrants to purchase Crown common stock or shares withheld to avoid the distribution of fractional shares. If you are a

Crown shareholder as of [__________], 2004, the record date for the distribution, you will receive a pro rata portion of the Solitario common stock. Holders of outstanding Crown warrants will also receive Solitario common stock if they elect to exchange their warrants for Kinross common shares or if they exercise their warrants after the merger. See

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"Agreements Relating to the Merger--The Distribution Agreement" beginning on page 237.

PRINCIPAL CONDITIONS TO COMPLETION OF THE MERGER

The merger is conditioned on the following:

- approval of the plan of merger by the holders of at least two-thirds of the Crown common stock outstanding as of the record date for the Crown special meeting;
- the compliance by each of the parties with their respective representations, warranties, and covenants as set forth in the merger agreement, unless waived by the other party;
- the absence of any material adverse change in the condition of either party not consented to by the other party;
- the absence of material regulatory limitations or prohibitions on the consummation of the transaction or the continuation of the proposed business of Crown; and
- other conditions described under the heading "Agreements Relating to the Merger--The Merger Agreement--Conditions to the Parties' Obligations to Close the Merger" beginning on page 233.

RESTRICTIONS ON SOLICITING ALTERNATIVE TRANSACTIONS

Crown has agreed that it will not conduct any discussions regarding, or enter into a prospective business combination of Crown with any party other than Kinross except in limited circumstances. The limited exceptions to this prohibition are intended to enable Crown's board of directors to fulfill its fiduciary duties to Crown's shareholders. Each of Crown's officers, directors, and shareholders who signed a voting agreement with Kinross also agreed not to initiate or engage in any such discussions. See "Agreements Relating to the Merger--The Merger Agreement--Offers for Alternative Transactions" beginning on page 231 and "Stockholder and Voting Agreement" beginning on page 236.

KINROSS AND CROWN MAY AMEND OR TERMINATE THE MERGER AGREEMENT

Kinross and Crown can mutually agree to terminate the merger agreement at any time before completing the merger. Also, either of Kinross or Crown may, without the other's consent, but subject to limitations, terminate the merger agreement:

- if the merger has not been completed on or before September 30, 2004;

- if approval of the merger by Crown's shareholders is not obtained;
- if a ruling or an injunction prohibiting or restraining the merger has been issued or any law prohibits the merger;
- if the other company has breached its representations, warranties, or covenants under the merger agreement;
- if the Crown board of directors withdraws its recommendation of the merger or recommends or enters into a transaction providing for the acquisition of Crown by an entity other than Kinross; or
- for other reasons described under the heading "Agreements Relating to the Merger--The Merger Agreement--Termination and Effects of Termination" beginning on page 234.

In some instances, termination of the merger agreement will require Crown to pay to Kinross a termination fee of U.S. $2.0 million.

RESTRICTIONS ON RESALE OF KINROSS COMMON STOCK ISSUED IN THE MERGER

Except for shares issued to "affiliates" of Crown, as that term is defined in Rule 144 under the U.S. Securities Act of 1933, as amended (the "Securities Act"), all Kinross common shares to be issued to U.S. shareholders of Crown in connection with the merger will be transferable without further registration under the Securities Act. Sales by affiliates of Crown must be made in accordance with the requirements of Rules 144 and 145 under the Securities Act.

Kinross common shares issued to Canadian shareholders of Crown in connection with the merger will be distributed in reliance on exemptions from the registration and prospectus requirements of Canadian securities laws, subject, in the case of Quebec, to regulatory approval, and will be freely tradable in or into Canada through appropriately registered dealers provided the conditions of the exemptions are met at the time of such transaction.

See "The Merger--Restrictions on Transfer of Kinross Common Shares" beginning on page 228.

COMPARISON OF SHAREHOLDER RIGHTS AND CORPORATE MATTERS

As of the effective time of the merger, Crown shareholders will cease to own Crown shares and, to the extent they do not exercise dissenters' rights, will become shareholders of Kinross. While the rights and privileges of shareholders of a corporation organized under the Business Corporations Act (Ontario) (the "OBCA"), such as Kinross are, in many instances, comparable to those of shareholders of a Washington corporation such as Crown, there are material differences.

For a discussion of significant differences in the rights of holders of Crown common stock and the rights of holders of Kinross common shares, see "Comparison of Rights of Holders of Kinross Common Shares and Holders of Crown Common Stock" beginning on page 240.

SHARES HELD BY CROWN DIRECTORS AND EXECUTIVE OFFICERS

At the close of business on the record date, Crown's directors and executive officers and their affiliates owned and were entitled to vote [________] shares of Crown common stock, which represented approximately [__]% of the shares of Crown common stock outstanding on that date. These shares are subject to a voting agreement with Kinross, providing for the shares to be voted in favor of the plan of merger. See "Principal Shareholders of Crown" beginning on page 34 and "Agreements Relating to the Merger--Stockholder and Voting Agreement" beginning on page 236.

NEW CERTIFICATES FOR COMMON SHARES

All shares of Crown common stock outstanding at the effective time of the merger, except those held by Crown shareholders validly exercising their dissenters' rights, automatically will be converted into Kinross common shares. Each certificate formerly representing shares of Crown common stock will represent that number of Kinross common shares into which the Crown stock has been converted.

Record holders of Crown common stock will receive a letter from Computershare Trust Company of New York, the exchange agent, with instructions for submitting their old Crown certificates for Kinross certificates. You should wait until you receive instructions from the exchange agent prior to submitting your Crown certificates.

No fractional shares will be issued, and Crown shareholders who would otherwise be entitled to receive a fractional share will receive a cash payment equal to the market value of the fractional share based on the trading prices of the Kinross common shares on the NYSE immediately prior to the merger. See "Agreements Relating to the Merger--The Merger Agreement--Exchange of Certificates Representing Crown Common Stock" beginning on page 229.

COMPARATIVE PER SHARE DATA

FINANCIAL PER SHARE DATA

The following table sets forth, for the periods indicated, selected pro forma per share amounts, prepared in accordance with CDN GAAP and U.S. GAAP, for Kinross common shares after giving effect to the merger; pro forma equivalent per share amounts for shares of Crown common stock; and the corresponding historical per share data for Kinross common shares and shares of Crown common stock. The information presented below should be read in conjunction with the unaudited pro forma consolidated financial statements of Kinross, together with the relevant notes, adjustments, and assumptions thereto, and the historical audited consolidated financial statements for the three years ended December 31, 2003, and related notes of each of Kinross and Crown included in this Proxy Statement/Prospectus.

	AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2004 CDN GAAP	AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2003 CDN GAAP	AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2004 U.S. GAAP
KINROSS COMMON SHARES			
Net earnings:			
Net earnings per share	$ 0.04	$ 0.06	$ 0.04
Pro Forma	0.04	0.01	0.04
Cash dividends per Kinross common share:			
Historical	-	-	-
Pro Forma	-	-	-
Book value per Kinross common share at period end:			
Historical	$ 5.23	$ 5.22	$ 5.22
Pro Forma	5.30	5.29	5.29
CROWN COMMON STOCK			
Net earnings:			
Net (loss) earnings per share	$ (0.02)	$ (0.45)	$ (0.02)
Crown per share equivalent	0.01	0.00	0.01
Cash dividends per Crown common share:			
Historical	-	-	-
Crown per share equivalent	-	-	-
Book Value per Crown common share at period end:			
Historical	$ 1.34	$ 1.36	$ 1.34
Crown per share equivalent	1.54	1.54	1.56

You should not rely on the pro forma per share data as being indicative of the results of operations or financial condition that would have been reported by the combined company had the merger been in effect during the periods set forth above or that may be reported in the future.

Equivalent per share data in respect of the shares of Crown common stock has been calculated by multiplying the Kinross pro forma amounts by the exchange ratio of 0.2911. Additional information regarding historical trading prices for Kinross common shares can be found under "Market Price for Kinross Common Shares" on page 153.

SELECTED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Kinross' selected unaudited pro forma consolidated financial information reflecting, among other things, the completion of the merger with Crown can be found under the caption "Kinross Selected Financial Data--Kinross Gold Corporation Selected Unaudited Pro Forma Consolidated Financial Information" beginning on page 157 and in the financial statement presentation at F-A1.

TRADING PRICE DATA

The table below presents the per share closing prices of Kinross common shares on the TSX and the NYSE and Crown common stock on the OTC Bulletin Board as of October 7, 2003, the last trading day before announcement of the merger agreement, and June 30, 2004, a recent trading date. The table also sets forth the equivalent per share price for Crown common stock. This price is calculated by multiplying the price of the Kinross common shares as reported by the NYSE by the merger exchange ratio of 0.2911. For more detailed trading price information of Kinross common shares, see "Market Price for Kinross Common Shares" on page 153.

	Kinross common shares (historical) on the TSX	Kinross common shares (historical) on the NYSE	Crown common stock (historical) OTC	Crow stock (
October 7, 2003	$10.07	$7.58	$1.50	$
June 30, 2004	$ 7.42	$5.56	$1.75	$

Crown shareholders should obtain current market quotations for Kinross common shares and Crown common stock in considering the proposal to approve the plan of merger. No assurance can be given as to the market prices of Kinross common shares or Crown common stock at any time before the merger or the market price of Kinross common shares at any time after merger. The exchange ratio will not be adjusted for increases or decreases in the market price of Kinross common shares or Crown common stock, regardless of when they occur.

Kinross has not paid cash dividends on its common shares, and Crown has not paid cash dividends on its common stock. Kinross has made an application for, and the TSX has conditionally approved, the listing of the Kinross common shares issuable in connection with the merger, subject to the receipt by the TSX of (i) written confirmation of the date of completion of the merger and the exact number of shares issued or to be issued; (ii) an executed copy of the Acquisition Agreement and Plan of Merger and all other material agreements; (iii) a copy of the form of any warrants assumed by Kinross as a result of the merger; (iv) a customary legal opinion of counsel to Kinross regarding, among other things, due authorization of the common shares issued in the merger; and (v) payment of the required listing fee. Kinross filed an application for listing with the NYSE.

CURRENCY AND EXCHANGE RATE DATA

References in this document to "$," "dollars," "U.S. dollars," or "U.S. $," are to the currency of the United States, and references to "Canadian dollars," or "CDN $," are to the currency of Canada. On June 30, 2004, the noon buying rate as reported by the Bank of Canada was CDN $1.3404 per U.S. $1.00. This information should not be construed as a representation that the Canadian dollar amounts actually represent, or could be converted into, U.S. dollars at the rate indicated. See "Kinross Selected Financial Data--Exchange Rate Data" on page 156.

GLOSSARY AND MEASUREMENTS CONVERSION TABLE

Technical terms relating to geology, mining, and related matters are defined in the "Glossary of Technical Terms Used in this Document" beginning on page 264. A table providing information for converting metric measurements to imperial measurements is under "Measurements Conversion Table" on page 280.

RISK FACTORS

An investment in the Kinross common shares involves certain risks. In addition to considering the other information in this Proxy Statement/Prospectus, you should consider carefully the following factors in deciding whether to vote in favor of the plan of merger. If any of these risks occur, or if other risks not currently anticipated or fully appreciated occur, the business and prospects of Kinross could be materially adversely affected, which could have an adverse effect on the trading price for its shares.

RISKS RELATING TO THE BUSINESS OF THE COMBINED COMPANY

KINROSS' MINERAL EXPLORATION AND MINING OPERATIONS INVOLVE SIGNIFICANT RISKS, INCLUDING THE DIFFICULT NATURE OF ESTABLISHING THE EXISTENCE OF ECONOMIC MINERALIZATION, SIGNIFICANT UP-FRONT CAPITAL REQUIREMENTS, VARIABILITY IN DEPOSITS, AND OTHERS THAT MAY RESTRICT KINROSS' ABILITY TO RECEIVE AN ADEQUATE RETURN ON ITS CAPITAL IN THE FUTURE.

The exploration and development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience, and knowledge may not eliminate. Few mining properties that are explored are ultimately developed into producing mines. Major expenses are required to establish reserves by drilling and to construct mining and processing facilities. Large amounts of capital are frequently required to purchase necessary equipment. Delays due to equipment malfunction or inadequacy may adversely affect Kinross' results of operations. It is impossible to ensure that the current or proposed exploration programs on properties in which Kinross has an interest will result in profitable commercial mining operations.

Whether a gold deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as its size and grade, costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in Kinross not receiving an adequate return on its invested capital.

KINROSS IS SUBJECT TO RISKS CAUSED BY VARIOUS EXTERNAL FACTORS, INCLUDING LEGAL LIABILITY CREATED BY ITS OPERATIONS.

The operations of Kinross are subject to the hazards and risks normally incident to exploration, development, and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. The activities of Kinross may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which Kinross has interests. Hazards, such as unusual or unexpected formations, faults and other geologic structures, rock bursts, pressures, cave-ins, flooding, or other conditions may be encountered in the exploration, mining, and removal of material.

CHANGES TO THE EXTENSIVE FOREIGN REGULATORY AND ENVIRONMENTAL RULES AND REGULATIONS TO WHICH KINROSS IS SUBJECT COULD HAVE A MATERIAL ADVERSE EFFECT ON KINROSS' FUTURE OPERATIONS.

Kinross' mining and processing operations and exploration activities in the Americas, Russia, Australia, Africa, and other countries and regions are subject to various laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, mine safety, and other matters. The legal and political circumstances outside of the United States cause these risks to be different from, and in many cases, greater than, comparable risks associated with operations within the United States. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation of existing laws and regulations could have a material adverse impact on Kinross, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. Compliance with these laws and regulations requires significant expenditures and increases the mine development and operating costs of Kinross. Changes in regulations and laws could adversely affect Kinross' operations or substantially increase the costs associated with those operations.

CHANGES TO THE EXTENSIVE UNITED STATES REGULATORY AND ENVIRONMENTAL RULES AND REGULATIONS TO WHICH KINROSS IS SUBJECT COULD HAVE A MATERIAL ADVERSE EFFECT ON KINROSS' FUTURE OPERATIONS.

Kinross' exploration programs in the United States are subject to federal, state, and local environmental regulations. Some of Kinross' mining claims are on United States public lands. The United States Forest Service (the "USFS") and Bureau of Land Management (the "BLM") extensively regulate mining operations conducted on public lands. Most operations involving the exploration for minerals are subject to laws and regulations relating to exploration procedures, safety precautions, employee health and safety, air quality standards, pollution of stream and fresh water sources, odor, noise, dust, and other environmental protection controls adopted by federal, state, and local governmental authorities as well as the rights of adjoining property owners. In addition, in order to conduct mining operations on Kinross' properties, it will be required to obtain performance bonds related to environmental permit compliance. These bonds may take the form of cash deposits or, if available, could be provided by outside insurance policies. Kinross may be required to prepare and present to federal, state, or local authorities' data pertaining to the effect or impact that any proposed exploration or mining activity may have upon the environment. All requirements imposed by any such authorities may be costly and time-consuming and may delay commencement or continuation of exploration or production operations.

KINROSS IS SUBJECT TO RISKS AND EXPENSES RELATED TO RECLAMATION COSTS AND RELATED LIABILITIES. INCREASES IN THESE COSTS OVER CURRENT ESTIMATES COULD HAVE A MATERIAL ADVERSE EFFECT ON KINROSS.

Kinross is generally required to submit for government approval a reclamation plan and to pay for the reclamation of its mine sites upon the completion of mining activities. Kinross estimates its share of reclamation closure obligations as of December 31, 2003, at $146.3 million based on information currently available. In addition, Kinross spent $19.3 million in 2003 and plans reclamation spending of approximately $19.2 million in 2004 as part of its current closure plans and to get as many closure projects as possible to post-closure monitoring by the end of 2005. Any increases over the current estimates of these costs could have a material adverse effect on Kinross.

KINROSS IS SUBJECT TO RISKS RELATED TO ENVIRONMENTAL LIABILITY, INCLUDING LIABILITY FOR ENVIRONMENTAL DAMAGES CAUSED BY MINING ACTIVITIES PRIOR TO OWNERSHIP BY KINROSS. THE PAYMENT OF SUCH LIABILITIES WOULD REDUCE FUNDS OTHERWISE AVAILABLE AND COULD HAVE A MATERIAL ADVERSE EFFECT ON KINROSS.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the ownership of a property by Kinross. The payment of such liabilities would reduce funds otherwise available and could have a material adverse effect on Kinross. Should Kinross be unable to fund fully the cost of remedying an environmental problem, Kinross might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the operations and business of Kinross.

KINROSS' OPERATIONS COULD BE ADVERSELY AFFECTED BY CHANGES IN MINING LAWS RELATED TO ROYALTIES, NET PROFITS INTERESTS, LAND AND MINERAL OWNERSHIP AND SIMILAR MATTERS.

Bills proposing major changes to the mining laws of the United States have been considered by Congress. If these bills, which may include royalty fees or net profits interests, are enacted in the future, they could have a significant effect on the ownership and operation of patented and unpatented mining claims in the United States, including claims that Kinross owns or holds. Any amendment to current laws and regulations governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Kinross' financial condition and results of operation.

CERTAIN CHARACTERISTICS OR MANAGEMENT DECISIONS OF KINROSS MAY NEGATIVELY AFFECT UNITED STATES SHAREHOLDERS TO A GREATER EXTENT THAN THEY DO SHAREHOLDERS OF OTHER NATIONALITIES.

The Kinross common shares that will be distributed to the former Crown shareholders in the merger are shares of a Canadian corporation. Various United States tax provisions apply only to foreign corporations or apply differently to foreign corporations than they do to domestic corporations. The differences that are currently material to United States' residents who hold Kinross common shares are described in the section of this Proxy Statement/Prospectus entitled "Tax Consequences." Other provisions may adversely affect U.S. holders of the Kinross common shares in the future. As the managers of a Canadian company with global operations and a substantial non-U.S. shareholder base, management of Kinross may conduct its operations in a manner that does not maximize the value of such operations either after tax or in United States dollars, or even the value of the Kinross common shares.

FLUCTUATIONS IN UNITED STATES AND CANADIAN EXCHANGE RATES MAY NEGATIVELY AFFECT THE PRICE OF KINROSS' COMMON SHARES IN UNITED STATES DOLLARS.

Fluctuations in the exchange rate between Canadian and United States dollars may affect the United States dollar value of the Kinross common shares in ways that are different than changes in the Canadian dollar value of Kinross common shares.

THE BUSINESS OF KINROSS IS ADVERSELY AFFECTED BY THE LACK OF INFRASTRUCTURE.

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could adversely affect Kinross' operations, financial condition, and results of operations.

THE RESERVE AND RESOURCE FIGURES OF KINROSS AND CROWN ARE ONLY ESTIMATES AND ARE SUBJECT TO REVISION BASED ON DEVELOPING INFORMATION. A SIGNIFICANT REDUCTION IN THESE RESERVES AND RESOURCES OR IN THEIR ESTIMATES COULD NEGATIVELY AFFECT THE PRIOR OF KINROSS' STOCK.

The figures for reserves and resources presented herein, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realized, are estimates. Market fluctuations in the price of gold or increases in the costs to recover gold at Kinross' mines may render the mining of ore reserves uneconomical and materially harm Kinross' results of operations. Moreover, various short-term operating factors may cause a mining operation to be unprofitable in any particular accounting period.

Proven and probable reserves at Kinross' mines and development projects and probable reserves at the Buckhorn Mountain Project were calculated based upon a gold price of $325 and $350 per ounce, respectively, and measured and indicated resources for Kinross were calculated based upon a gold price of $350 per ounce. Prolonged declines in the market price of gold may render reserves containing relatively lower grades of gold mineralization uneconomic to exploit and could reduce materially Kinross' reserves and resources. Should such reductions occur, material write downs of Kinross' investment in mining properties or the discontinuation of development or production might be required, and there could be material delays in the development of new projects, increased net losses and reduced cash flow. The estimates of mineral reserves and resources attributable to a specific property are based on accepted engineering and evaluation principles. The estimated amount of contained gold in proven and probable reserves does not necessarily represent an estimate of a fair market value of the evaluated properties.

There are numerous uncertainties inherent in estimating quantities of mineral reserves and resources. The estimates in this Proxy Statement/Prospectus are based on various assumptions relating to gold prices and exchange rates during the expected life of production, mineralization of the area to be mined, the projected cost of mining, and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures, and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these

assumptions, including changes that result from variances between projected and actual results, could result in material downward revision to current estimates.

Approximately 19% of Kinross' proven and probable reserves are located on properties that are not currently being operated. Commencement of operations and recovery of these reserves is dependent on obtaining the required operating permits. If Kinross could not obtain the necessary permits, its future operations would be negatively impacted.

THE MINERAL RESOURCES OF KINROSS MAY NOT BE ECONOMICALLY DEVELOPABLE, IN WHICH CASE KINROSS MAY NEVER RECOVER ITS EXPENDITURES FOR EXPLORATION AND/OR DEVELOPMENT.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves.

IF KINROSS DOES NOT DEVELOP ADDITIONAL MINERAL RESERVES, IT MAY NOT BE ABLE TO SUSTAIN FUTURE OPERATIONS WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON ITS FUTURE OPERATIONS.

Because mines have limited lives, Kinross must continually replace and expand its mineral reserves as its mines produce gold. The life-of-mine estimates included in this Proxy Statement/Prospectus for each of Kinross' material properties may prove incorrect. Kinross' ability to maintain or increase its annual production of gold will significantly depend on its ability to bring new mines into production and to expand mineral reserves at existing mines.

THE OPERATIONS OF KINROSS OUTSIDE OF NORTH AMERICA MAY BE ADVERSELY AFFECTED BY CHANGING POLITICAL, LEGAL, AND ECONOMIC CONDITIONS.

Kinross has mining and exploration operations in South America, Russia, Australia, and Africa and such operations are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; hostage taking; military repression; extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls, and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political and economic conditions in these countries may result in these governments adopting different policies respecting foreign development and ownership of mineral resources. Any changes in policy may result in changes in laws affecting ownership of assets, foreign investment, taxation, rates of exchange, gold sales, environmental protection, labor relations, price controls, repatriation of income, and return of capital, which may affect both the ability of Kinross to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore, develop, and operate those properties to which it has rights relating to exploration, development, and operations. A future government of these countries may adopt substantially different policies, which might extend to, as an example, expropriation of assets.

THERE ARE SIGNIFICANT CURRENCY AND TAX RISKS RELATED TO KINROSS' RUSSIAN OPERATIONS, WHICH COULD ADVERSELY AFFECT KINROSS' RUSSIAN OPERATIONS.

Kinross is subject to the considerations and risks of operating in the Russian Federation. The Russian economy continues to display characteristics of an emerging market. These characteristics include, but are not limited to, a currency that is not freely convertible outside of the country and extensive currency controls. The prospects for future economic stability in the Russian Federation are largely dependent upon the effectiveness of economic measures undertaken by the government, together with legal, regulatory, and political developments.

Russian laws, licenses, and permits have been in a state of change and new laws may be given retroactive effect. It is also not unusual in the context of dispute resolution in Russia for parties to use the uncertainty in the Russian legal environment as leverage in business negotiations. In addition, Russian tax legislation is subject to

varying interpretations and constant change. Further, Kinross' interpretation of tax legislation as applied to its transactions and activities may not coincide with that of Russian tax authorities. As a result, transactions may be challenged by tax authorities and Kinross' Russian operations may be assessed, which could result in significant additional taxes, penalties and interest. The periods remain open to review by the tax authorities for three years. See "Business of Kinross--Legal Proceedings--Russia" beginning on page 137.

ZIMBABWE AND BRAZIL SUFFER FROM SIGNIFICANT ECONOMIC INSTABILITY WHICH COULD ADVERSELY AFFECT KINROSS' OPERATIONS IN THOSE COUNTRIES.

Kinross is subject to risks relating to an uncertain or unpredictable political and economic environment in Zimbabwe and Brazil. In the short term, significant economic instability in these regions is expected to negatively impact the business environment and may lead to long-term negative changes in the approaches taken with respect to ownership of natural resources by foreign companies. In the case of Zimbabwe, in 2001, Kinross recorded a writedown of $11.8 million relating to Kinross' inability to manage this operation because of political turmoil creating inflationary pressure within Zimbabwe, difficulty in accessing foreign currency to pay for imported goods and services, and civil unrest. Due to Kinross' continuing inability to control distributions from the operations in Zimbabwe, Kinross stopped reporting mining production in 2003.

KINROSS REQUIRES THE ISSUANCE AND RENEWAL OF LICENSES AND PERMITS IN ORDER TO CONDUCT ITS OPERATIONS, AND FAILURE TO RECEIVE THESE LICENSES MAY RESULT IN DELAYS IN DEVELOPMENT OR CESSATION OF CERTAIN OPERATIONS.

The operations of Kinross require licenses and permits from various governmental authorities to exploit its properties, which will include the Buckhorn Mountain Project subsequent to the merger, and the process for obtaining licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays and uncertainties. Such licenses and permits are subject to change in various circumstances. Kinross may be unable to timely obtain or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

THE SUCCESS OF KINROSS IS DEPENDENT ON GOLD PRICES OVER WHICH IT HAS NO CONTROL.

The profitability of Kinross' operations are significantly affected by changes in the market price of gold. Gold prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Kinross. The supply and demand for gold, the level of interest rates, the rate of inflation, investment decisions by large holders of gold, including governmental reserves, and stability of exchange rates can all cause significant fluctuations in gold prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold has fluctuated widely and future serious price declines could cause continued commercial production to be impractical. Depending on the price of gold, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in gold prices, revenues from metal sales were to fall below cash operating costs, production may be discontinued.

KINROSS HAS A HISTORY OF LOSSES, AND THE SUCCESS OF KINROSS WILL REQUIRE PROFITABLE OPERATIONS IN THE FUTURE, WHICH CANNOT BE ASSURED.

Kinross had net losses of $30.9 million and $36.3 million for 2002 and 2001, respectively. Kinross' ability to operate profitably in the future continues to depend on the success of its principal mines and on the price of gold.

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THE TITLE TO PROPERTIES OF KINROSS MAY BE UNCERTAIN AND SUBJECT TO RISKS.

The validity of mining claims which constitute most of Kinross' property holdings in the Americas, Russia, Australia, and Africa may, in certain cases, be uncertain and is subject to being contested. Kinross' titles, particularly title to undeveloped properties, may be defective.

Certain of Kinross' United States mineral rights consist of unpatented mining claims. Unpatented mining claims and mill sites are unique property interests, and are generally considered to be subject to greater title risk than other real property interests because the validity of unpatented mining claims is often uncertain and is always subject to challenges of third parties or contests by the United States government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of United States federal and state statutory and decisional law. In addition, there are few public records that definitively control the issues of validity and ownership of unpatented mining claims. The General Mining Law of the United States includes provisions for obtaining a patent, which is essentially equivalent to fee title, for an unpatented mining claim upon compliance with certain statutory requirements (including the discovery of a valuable mineral deposit). However, a Congressional moratorium against the filing of new applications for a mineral patent is currently in effect.

NUMEROUS OTHER COMPANIES COMPETE IN THE MINING INDUSTRY, MANY OF WHICH HAVE GREATER RESOURCES AND TECHNICAL CAPACITY THAN KINROSS AND, AS A RESULT, KINROSS MAY BE UNABLE TO EFFECTIVELY COMPETE IN ITS INDUSTRY, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON KINROSS' FUTURE OPERATIONS.

The mineral exploration and mining business is competitive in all of its phases. Kinross competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Kinross, in the search for and the acquisition of attractive mineral properties. The ability of Kinross to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. Kinross may be unable to compete successfully with its competitors in acquiring such properties or prospects on terms it considers acceptable, if at all.

KINROSS MAY REQUIRE ADDITIONAL CAPITAL THAT MAY NOT BE AVAILABLE.

The mining, processing, development, and exploration of Kinross' properties may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Kinross' properties, or even a loss of property interest. Additional capital or other types of financing may not be available if needed or, if available, the terms of such financing may be unfavorable to Kinross.

KINROSS' INSURANCE MAY NOT COVER THE RISKS TO WHICH ITS BUSINESS IS EXPOSED.

Kinross' business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, adverse property ownership claims, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Kinross' properties or the properties of others, delays in mining, monetary losses and legal liability.

Kinross' insurance does not cover all the potential risks associated with a mining company's operations. Kinross may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production is not generally available to Kinross or to other companies in the mining industry on acceptable terms. Kinross might also become subject to liability for pollution or other hazards for which it is uninsured or for which it elects not to insure because of premium costs or other reasons. Losses from these events may cause Kinross to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

THE OPERATIONS OF KINROSS IN VARIOUS COUNTRIES ARE SUBJECT TO CURRENCY RISK.

Currency fluctuations may affect the revenues which Kinross will realize from its operations since gold is sold in the world market in United States dollars. The costs of Kinross are incurred principally in Canadian dollars, United States dollars, Russian rubles, Chilean pesos, Brazilian reals, and Zimbabwean dollars. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of gold production in U.S. dollar terms. While the Russian ruble, Chilean peso, Brazilian real, and the Zimbabwean dollar are currently convertible into Canadian and United States dollars, they may not always be convertible in the future. See "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Years Ended December 31, 2002, 2002, and 2001--Risk Analysis" beginning at page 210 for a detailed discussion of examples of the impact on Kinross' earnings of currency fluctuations and Canadian dollar hedging for 2004.

KINROSS MAY NOT BE ABLE TO CONTROL THE DECISIONS AND STRATEGY OF JOINT VENTURES TO WHICH IT IS A PARTY.

Some of the mines in which Kinross owns interests are operated through joint ventures with other mining companies and are subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on Kinross' profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on Kinross' results of operations and financial condition:

- inability to exert influence over strategic decisions made in respect of joint venture properties;
- disagreement with partners on how to develop and operate mines efficiently;
- inability of partners to meet their obligations to the joint venture or third parties; and
- litigation between partners regarding joint venture matters.

THE FAILURE OF KINROSS TO PAY ROYALTIES WOULD ADVERSELY AFFECT ITS BUSINESS AND OPERATIONS.

Kinross' mining properties are subject to various royalty and land payment agreements. Failure by Kinross to meet its payment obligations under these agreements could result in the loss of related property interests.

THE COMMODITY HEDGING ACTIVITIES OF KINROSS MAY HAVE AN ADVERSE EFFECT ON ITS RESULTS OF OPERATIONS.

Kinross has historically reduced its exposure to gold price fluctuations by engaging in hedging activities. In 2002, Kinross changed its hedging strategy and discontinued its hedging activities for gold. If Kinross were to resume its hedging activities, it may be unable to achieve realized prices for gold produced in excess of average market prices. Hedging may not adequately protect against declines in the price of gold. Hedging may prevent Kinross from benefiting fully from gold price increases. Currency hedging involves risks and may require margin activities. Sudden fluctuations in currencies could result in margin calls that could have an adverse effect on Kinross' financial position. Sudden fluctuations in the price of gold could result in margin calls that could have an adverse effect on the financial position of Kinross. See "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Years Ended December 31, 2002, 2002, and 2001--Risk Analysis" at page 210 for a detailed discussion of Kinross' hedging activities.

THE BUSINESS OF KINROSS IS DEPENDENT ON GOOD LABOR AND EMPLOYMENT RELATIONS.

Production at Kinross' mines is dependent upon the efforts of employees of Kinross. Relations between Kinross and its employees may be impacted by changes in labor relations which may be introduced by, among others, employee groups, unions, and the relevant governmental authorities in whose jurisdictions Kinross carries on business. Adverse changes in such legislation or in the relationship between Kinross with its employees may have a material adverse effect on Kinross' business, results of operations, and financial condition.

LIMITATIONS ON THE RIGHTS OF KINROSS' FOREIGN SUBSIDIARIES COULD ADVERSELY AFFECT ITS ABILITY TO OPERATE EFFICIENTLY.

Kinross conducts operations through foreign subsidiaries and joint ventures, and a substantial part of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict Kinross' ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have a material adverse impact on Kinross' valuation and stock price.

THE RESULTS OF KINROSS' OPERATIONS COULD BE ADVERSELY AFFECTED BY ITS ACQUISITION STRATEGY.

As part of Kinross' business strategy, it has sought, and will continue to seek, new mining and development opportunities in the mining industry. In pursuit of such opportunities, Kinross may fail to select appropriate acquisition candidates or to negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel. Kinross may be unable to complete any acquisition or business arrangement that it pursues on favorable terms. Any acquisitions or business arrangements completed may not ultimately benefit Kinross' business.

CHANGES IN THE MARKET PRICE OF KINROSS COMMON SHARES MAY BE UNRELATED TO ITS RESULTS OF OPERATIONS AND COULD HAVE AN ADVERSE IMPACT ON KINROSS.

The Kinross common shares are listed on the TSX and the NYSE. The price of the Kinross common shares is likely to be significantly affected by short-term changes in gold price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the performance of Kinross that may have an effect on the price of the Kinross common shares include the following: a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in the securities of Kinross may affect an investor's ability to trade significant numbers of Kinross common shares; and a substantial decline in the price of the Kinross common shares that persists for a significant period of time could cause the Kinross common shares to be delisted from the NYSE, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect Kinross' long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Kinross may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

KINROSS HAS NOT PAID DIVIDENDS IN THE PAST AND DOES NOT ANTICIPATE DOING SO IN THE FUTURE.

No dividends on the common shares have been paid by Kinross to date. Kinross anticipates that it will retain all future earnings and other cash resources for the future operation and development of its business. Kinross does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of Kinross' board of directors, after taking into account many factors, including Kinross' operating results, financial condition, and current and anticipated cash needs.

THE LOSS OF KEY EXECUTIVES COULD ADVERSELY AFFECT KINROSS.

Kinross has a relatively small executive management team. See "Management of Kinross--Officers" beginning on page 141.

In the event that the services of one or a number of these executives were no longer available, Kinross and its business could be adversely affected. Kinross does not carry key-man life insurance with respect to its executives. Other than severance agreements, described under "Management of Kinross--Executive Compensation--Employment Contracts" beginning on page 145, Kinross does not have employment agreements with its executive officers.

KINROSS IS SUBJECT TO CERTAIN LEGAL PROCEEDINGS.

Kinross is a party to the legal proceedings described under the caption "Business of Kinross--Legal Proceedings" beginning on page 135. If decided adversely to Kinross, these legal proceedings, or others that could be brought against Kinross in the future, could have a material adverse effect on Kinross' financial condition or prospects.

IT MAY BE DIFFICULT TO ENFORCE A UNITED STATES JUDGMENT AGAINST THE OFFICERS AND DIRECTORS OF KINROSS OR THE EXPERTS NAMED IN THIS PROXY STATEMENT/PROSPECTUS OR TO ASSERT UNITED STATES SECURITIES LAWS CLAIMS IN CANADA.

Substantially all of the executive officers and directors of Kinross and its independent accountants are nonresidents of the United States, and a substantial portion of Kinross' assets are located outside the United States. These executives and accountants reside in Canada, making it difficult or impossible to effect service upon them in the United States. As a result, it may be difficult to effect service in the United States or enforce a judgment obtained in the United States against Kinross or any such persons. Execution by United States courts of any judgment obtained against Kinross or its officers or directors in United States courts would be limited to the assets of Kinross or such persons, as the case may be, located in the United States. Additionally, it may be difficult for you to assert civil liabilities under United States securities laws in original actions instituted in Canada.

RISKS RELATING TO THE MERGER

THE PRICE OF THE KINROSS COMMON SHARES THAT THE CROWN SHAREHOLDERS WILL RECEIVE IN THE MERGER WILL FLUCTUATE BETWEEN NOW AND THE TIME THE MERGER IS COMPLETED.

The number of Kinross common shares that Kinross will issue to the former Crown shareholders in the merger will not be adjusted as a result of any change in the price of the Kinross common shares or the Crown common stock. Therefore, the total market price of the Kinross common shares that the Crown shareholders will receive in the merger will depend on the market price of the Kinross common shares at the time of the merger. That price may be lower than the market price on the date the merger was announced, the date the merger agreement was signed, the date of this Proxy Statement/Prospectus, or the date of the Crown shareholders' meeting. Because the merger will occur after the date of the Crown shareholders' meeting, you will not know the exact market price of the Kinross common shares that will be issued in the merger at the time you vote on it.

There are many factors that could cause the market price of the Kinross common shares to decrease, including adverse changes in the business, operations, or prospects of Kinross or the combined company, the timing of the merger, general market and economic conditions, and other factors described in this Proxy Statement/Prospectus. Crown will not have the right to terminate the merger agreement or to resolicit the vote of its shareholders based on changes in the price of the Kinross common shares. After the merger, the market price of the Kinross common shares will continue to fluctuate based on factors both within and beyond Kinross' control.

THE TERMS OF THE MERGER MAY NOT REFLECT THE VALUE OF KINROSS OR CROWN.

The terms of the merger and the determination of the number of Kinross common shares to be issued to the Crown shareholders represent determinations arrived at during the negotiation process for the purpose of calculating the relative values to be assigned to the parties. The number of shares was not fixed based on traditional indicators of value such as the earnings of Crown, its market share, return on assets, revenues, or market capitalization since Crown is an exploration company. The Kinross common shares to be issued to the Crown shareholders do not, and are not intended to, represent the value of Crown. The amounts that may be realized by the Crown shareholders if they elect to sell their Kinross common shares following the merger may vary widely from the current or historical trading prices of Kinross common shares.

CROWN SHAREHOLDERS MUST PERFORM THEIR OWN ANALYSIS OF THE TRANSACTION.

Neither the board of directors of Kinross nor the board of directors of Crown formed a special committee to evaluate the fairness of the proposed merger to unaffiliated shareholders. The lack of consideration by a disinterested committee means that the shareholders will be relying exclusively on the recommendation of the board of directors of Crown, financial information concerning Crown and Kinross contained in this Proxy Statement/Prospectus, their own analysis of the condition of both companies, the prospects for the business of Kinross following the merger, and the terms of the merger in deciding whether or not to approve the transaction. Certain individuals on the Crown board are subject to conflicts of interests in connection with the proposed merger. See "The Merger--Interests of Certain Individuals" beginning on page 223.

FOLLOWING THE MERGER, CROWN SHAREHOLDERS WILL NOT HAVE A SIGNIFICANT VOTE IN KINROSS.

The Crown shareholders who are currently entitled to elect directors and vote on such other matters as may be presented to the shareholders will, as a result of the merger, hold only approximately 3.9% of the issued and outstanding Kinross common shares and, consequently, will not have a substantive say in any matter submitted to the Kinross shareholders.

CAUTIONARY STATEMENT

This Proxy Statement/Prospectus contains "forward-looking statements." Forward-looking statements include, but are not limited to, statements with respect to the future price of gold and silver, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans," "expects," or "does not expect," "is expected," "budget," "scheduled," "estimates," "forecasts," "intends," "anticipates," or "does not anticipate," or "believes," or variations of such words and phrases or state that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur" or "be achieved." Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kinross to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In addition to the factors Kinross currently believes to be material, which are identified under "Risk Factors," other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements include, among others, risks related to the integration of acquisitions; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; and unanticipated delays. In addition, there may be other factors not currently anticipated or that may have a greater effect than expected that could cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements which speak only as of the date of this Proxy Statement/Prospectus. Neither Kinross nor Crown undertakes any obligation to update or revise these forward-looking statements.

THE CROWN SPECIAL MEETING

GENERAL

Crown is furnishing this Proxy Statement/Prospectus to you in connection with the solicitation of proxies by Crown's board of directors for use at the special meeting of Crown shareholders to be held on [__________], 2004, and any adjournments or postponements of the meeting.

This Proxy Statement/Prospectus is being mailed to Crown shareholders on or about [______________], 2004. This Proxy Statement/Prospectus is also being furnished to Crown shareholders as a prospectus in connection with the issuance by Kinross of Kinross common shares as contemplated by the merger agreement.

DATE, TIME, AND PLACE

The special meeting of Crown shareholders will be held on [_______________], 2004 at [____ __].m., local time, at the offices of Crown located at 4251 Kipling Street, Suite 390, Wheat Ridge, Colorado.

PURPOSE OF THE SPECIAL MEETING

At the special meeting of Crown shareholders, you will be asked to consider and vote on the following proposals:

- to approve the plan of merger that provides for the merger of Crown Merger, a subsidiary of Kinross, with and into Crown, with Crown surviving as a wholly-owned subsidiary of Kinross; and

- approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger proposal.

CROWN BOARD RECOMMENDATION

Crown's board of directors has unanimously determined that the merger is advisable and in the best interests of Crown and its shareholders and has unanimously adopted the plan of merger and recommends that Crown shareholders vote "FOR" approval of the plan of merger and "FOR" the adjournment proposal. Two of the members of the Crown board who are also employees will receive termination payments in connection with the consummation of the proposed merger. See "The Merger--Interests of Certain Individuals."

RECORD DATE AND VOTING POWER

Crown's board of directors has fixed the close of business on [_______________], as the record date for determination of Crown shareholders entitled to notice of and to vote at the special meeting. As of the record date, there were [_______] shares of Crown common stock outstanding and entitled to vote, held by approximately [_______] holders of record. The common stock is the only outstanding class of stock of Crown. Shareholders of record on the record date are entitled to one vote per share of common stock on any matter properly brought before the special meeting and at any adjournment or postponement thereof.

VOTES REQUIRED

The proposal to approve the plan of merger must be approved by the affirmative vote of at least two-thirds of the Crown common stock outstanding on the record date.

The record holders of a majority of the shares of Crown common stock present at the special meeting, either in person or represented by proxy, must vote to approve the adjournment proposal in order for Crown's management to have the authority to adjourn the special meeting.

STOCKHOLDER AND VOTING AGREEMENT

As of the record date for the special meeting, the directors and executive officers of Crown and their affiliates owned [_______] shares of Crown common stock, which represented approximately [___]% of the outstanding shares of Crown common stock entitled to vote at the special meeting of Crown shareholders. Several directors and executive officers of Crown, and entities affiliated with these directors and officers, have entered into a stockholder and voting agreement with Kinross pursuant to which these directors and executive officers and other shareholders agreed, among other things, to vote, or cause to be voted, all of the shares of Crown common stock owned by them, as set forth in the stockholder and voting agreement, as well as all shares of Crown common stock acquired by them, in favor of the approval of the plan of merger, and against the acquisition of Crown by any person other than Kinross. As of the record date for the special meeting, [_______] shares of Crown common stock were subject to the stockholder and voting agreement, representing approximately [___]% of the outstanding shares of Crown common stock entitled to vote at the Crown special meeting, so that the vote of approximately [_______] additional shares of Crown common stock will be required to approve the merger. See the section entitled "Agreements Relating to the Merger--Stockholder and Voting Agreement."

QUORUM; ABSTENTIONS AND BROKER NON-VOTES

The required quorum for the transaction of business at the special meeting of Crown shareholders is the presence in person or by proxy of the holders of a majority of the shares of Crown common stock outstanding on the record date for the special meeting. We will count abstentions and broker non-votes to determine the number of shares present at the special meeting for the purpose of determining the presence or absence of a quorum. Broker non-votes are proxies from brokers or other nominees indicating that the record holder of the shares has not received instructions from the beneficial owner or other person entitled to vote the shares which are the subject of the proxy on a particular matter with respect to which the broker or other nominee does not have discretionary voting power.

For purposes of the proposal to approve the plan of merger, we will not count abstentions and broker non-votes as votes in favor of the proposal and, therefore, abstentions and broker non-votes will have the same effect as votes against the merger proposal. IF YOU FAIL TO VOTE OR ABSTAIN FROM VOTING, IT WILL HAVE THE EFFECT OF A VOTE AGAINST THE PROPOSAL TO APPROVE THE PLAN OF MERGER.

For purposes of the proposal to approve one or more adjournments of the special meeting, abstentions and broker non-votes are not counted as votes cast and generally will have no effect on the outcome of the adjournment proposal. To approve the adjournment proposal, a majority of votes cast, which includes "FOR" and "AGAINST" votes, must be in favor of the proposal.

THE ACTIONS PROPOSED IN THIS PROXY STATEMENT/PROSPECTUS ARE NOT MATTERS THAT CAN BE VOTED ON BY BROKERS HOLDING SHARES FOR BENEFICIAL OWNERS WITHOUT THE OWNERS' SPECIFIC INSTRUCTIONS. ACCORDINGLY, WE URGE YOU TO MARK, SIGN, DATE, AND RETURN THE ENCLOSED PROXY CARD, OR TO GIVE YOUR BROKER VOTING INSTRUCTIONS.

VOTING, PROXIES, AND REVOCATION

Crown requests that you complete, date, and sign the proxy card and promptly return it by mail in the accompanying envelope marked for this purpose in accordance with the instructions accompanying the proxy card. All properly executed proxies received before taking the vote at the special meeting and not revoked will be voted as instructed on the proxy card. IF THE PROXY CARD IS SIGNED AND RETURNED BY ANY MEANS WITHOUT INDICATING VOTING INSTRUCTIONS, THE SHARES REPRESENTED BY THAT PROXY WILL BE VOTED "FOR" THE APPROVAL OF THE PLAN OF MERGER AND "FOR" THE APPROVAL OF ONE OR MORE ADJOURNMENTS OF THE SPECIAL MEETING.

If your broker holds your shares in "street name," your broker will vote your shares only if you provide instructions on how to vote. Your broker will provide directions on how to instruct it to vote your shares. Note that, if the holder of record of your shares is your broker, bank, or other nominee and you wish to vote at the special meeting, you must have a "legal" proxy from your broker, bank, or other nominee authorizing you to vote those shares.

You may revoke your proxy at any time before it is voted by delivering to Crown, to the attention of James R. Maronick, 4251 Kipling Street, Suite 390, Wheat Ridge, Colorado 80033, a written notice of revocation or a new proxy card dated after the first one relating to the same shares, or by attending the Crown shareholder meeting and voting in person. Attendance at the Crown meeting will not, by itself, constitute the revocation of the proxy.

SOLICITATION OF PROXIES AND EXPENSES

Crown will bear the costs of soliciting proxies. Proxies will initially be solicited by mail, but executive officers, directors, and selected other employees of Crown may also solicit proxies in person or by telephone or facsimile. Such persons who solicit proxies will not be specially compensated for such services. We will request nominees, fiduciaries, and other custodians to forward soliciting materials to beneficial owners and reimburse them for their reasonable expenses. BROKERAGE HOUSES, NOMINEES, FIDUCIARIES AND OTHER CUSTODIANS WILL BE REQUESTED TO FORWARD SOLICITING MATERIALS TO BENEFICIAL OWNERS AND WILL BE REIMBURSED FOR THEIR REASONABLE EXPENSES INCURRED IN SENDING PROXY MATERIALS TO BENEFICIAL OWNERS.

PROPOSAL TO APPROVE ADJOURNMENT OF SPECIAL MEETING

Crown is submitting a proposal for consideration at the special meeting to authorize the named proxies to approve one or more adjournments of the special meeting if there are not sufficient votes to approve the plan of merger at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that Crown may not have received sufficient votes to approve the plan of merger by the time of the special meeting. In that event, Crown would need to adjourn the special meeting in order to solicit additional proxies. The adjournment proposal relates only to an adjournment of the special meeting for purposes of soliciting additional proxies to obtain the requisite shareholder approval to approve the plan of merger. Any other adjournment of the special meeting (E.G., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy.

To allow the proxies that have been received by Crown at the time of the special meeting to be voted for an adjournment, if necessary, Crown is submitting a proposal to approve one or more adjournments to Crown shareholders for their consideration. Approval of the adjournment proposal requires the affirmative vote of holders of a majority of the shares of Crown common stock who cast "FOR" and "AGAINST" votes at the special meeting, assuming a quorum is present at the meeting. With respect to broker non-votes, brokers or other nominees that hold shares of Crown common stock in "street name" accounts do not have the discretionary authority to vote to approve any adjournment of the special meeting without appropriate instructions from the beneficial owner. IF YOUR SHARES ARE HELD IN STREET NAME AND YOU FAIL TO INSTRUCT YOUR BROKER ON HOW TO VOTE WITH RESPECT TO THE ADJOURNMENT PROPOSAL, THOSE CROWN SHAREHOLDERS WHO VOTE "FOR" OR "AGAINST" THE ADJOURNMENT PROPOSAL WILL DECIDE WHETHER TO ADOPT THAT PROPOSAL AND YOUR SHARES WILL HAVE NO EFFECT ON THE OUTCOME OF THE PROPOSAL. AN ABSTENTION AS TO THIS PROPOSAL WILL HAVE NO EFFECT ON WHETHER IT IS ADOPTED.

THE CROWN BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ADJOURNMENT PROPOSAL.

Properly executed proxies will be voted "FOR" the adjournment proposal, unless otherwise noted on the proxies. If the special meeting is adjourned, Crown is not required to give further notice of the time and place of the adjourned meeting, unless the board of directors fixes a new record date for the special meeting.

The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for the approval of the merger agreement proposal in the event that there are insufficient votes to approve that proposal. The Crown board has full authority to adjourn the special meeting for any other purpose, including the absence of a quorum, or to postpone the special meeting before it is convened, without the consent of any Crown shareholder.

NO ADDITIONAL MATTERS

This special meeting has been called to consider the merger proposal and the adjournment proposal. Under Crown's bylaws, no other matters may be considered at the special meeting.

SHAREHOLDER PROPOSALS FOR THE CROWN 2004 ANNUAL MEETING

If the merger is not completed, proposals of Crown shareholders that are intended to be presented at Crown's 2004 Annual Meeting must be timely delivered to or received by Crown. Under Crown's bylaws, in order to be deemed properly presented, notice must be delivered to, or mailed and received by, Crown not later than [_____________].

DIVIDEND POLICY

No dividends on the Kinross common shares have been paid by Kinross to date. For the foreseeable future, it is anticipated that Kinross will use earnings, if any, to finance its growth and that dividends will not be paid to shareholders, other than dividends payable to the holder of the Kinross preferred shares in accordance with their terms. Pursuant to the syndicated credit facility, Kinross is required to obtain consent from the lenders prior to declaring any common share dividend.

BUSINESS OF CROWN

OVERVIEW

Crown is a precious metals exploration company operating in the western United States. As of June 7, 2004, Crown owns 37.1% of Solitario, which was included in the financial statements of Crown on a consolidated basis prior to October 2000. Since that date, Crown's investment in Solitario has been accounted for under the equity method of accounting. Solitario operates as a precious and base metals exploration company in the United States, Brazil, Bolivia, and Peru.

Crown's principal expertise is in identifying properties and mineral interests with promising mineral potential, acquiring these properties and interests and exploring them to an advanced stage. Crown's goal historically has been to advance its properties, either on its own or through joint ventures, to the feasibility study stage and thereafter to pursue development of the properties, typically through a joint venture with a partner that has expertise in mining operations. Crown has in the past recognized revenues from the option and sale of property interests to joint venture partners and from the sale of its share of metals produced on its properties.

Over the past several years, Crown has had limited financial resources and, accordingly, has not engaged directly in any significant exploration activity other than at the Buckhorn Mountain Project. Crown's current activities relate to the permitting process for development of the Buckhorn Mountain Project.

Crown was incorporated under the laws of the State of Washington in August 1988. Unless otherwise indicated by the context, all references to Crown refer to Crown Resources Corporation and its subsidiaries.

RECENT DEVELOPMENTS

On February 21, 2003, Crown issued $2,705,000 of its Convertible Subordinated Notes, Series B, due 2006 (the "Subordinated B Notes"). The Subordinated B Notes were convertible into common stock of Crown at $0.75 per share. Solitario invested $400,000 in the Subordinated B Notes on the same terms as all other investors.

On October 8, 2003, Crown announced that it would be distributing its holdings of 9,633,585 shares of Solitario's common stock, other than shares withheld to meet its contractual obligations to warrant holders and to avoid the distribution of fractional shares to its shareholders. Crown plans to make this distribution prior to closing the merger with Kinross.

On October 31, 2003, and November 5, 2003, a total of $839,331 of Crown's 10% Convertible Subordinated Notes due 2006 (the "Subordinated Notes") were converted into 1,119,108 shares of Crown common stock. On November 5, 2003, the remaining $3,160,669 of Subordinated Notes were automatically converted into 4,214,225 shares of Crown common stock. Also on November 5, 2003, $2,705,000 of Crown's Subordinated B Notes were automatically converted into 3,606,667 shares of Crown common stock. The automatic conversions were in accordance with the provisions of the Subordinated Notes and Subordinated B Notes whereby the Subordinated Notes and Subordinated B Notes automatically convert into common stock if the price of the common stock trades above 233% of the conversion price of $0.75, or $1.75, for 20 consecutive days. The shares related to the automatic conversion are deemed issued and outstanding as of November 5, 2003.

On November 11, 2003, Crown entered into a toll milling agreement (the "Toll Milling Agreement") with Echo Bay Minerals Co. ("Echo Bay Minerals"), a wholly-owned subsidiary of Kinross, whereby Crown would deliver ore from its Buckhorn Mountain Project deposit to Echo Bay Minerals' Kettle River mill, located near Republic, Washington approximately 92 kilometers (57 miles) from the Buckhorn Mountain Project. Under the terms of the Toll Milling Agreement, Echo Bay Minerals agreed to process up to 1,500 tons per day of ore (the "Production Ores") at a rate of $20 per ton. In addition Crown agreed to pay a one-time capital charge of $5 million to Echo Bay Minerals on or before the last day of the calendar month following the delivery of Production Ores to the Kettle River Mill. The agreement is subject to Crown obtaining the necessary permits to mine and deliver the Production Ores, standard toll-milling terms regarding (among other terms) grade, delivery, commingling and refining, and regulatory approval.

On November 20, 2003, Crown entered into the merger agreement with Kinross whereby Kinross would acquire 100% of the shares of Crown common stock. Under the terms of the merger agreement, shareholders of Crown will receive 0.2911 of a Kinross common share for each share of Crown and prior to the completion of the acquisition, Crown would dividend to its shareholders its equity interest in Solitario.

On November 21, 2003, the Secured Notes were called for redemption, and prior to December 31, 2003, $1,994,000 in Secured Notes were converted into 5,679,142 shares of Crown common stock with the remainder being redeemed for cash.

On December 1, 2003, Crown received a feasibility study for the Buckhorn Mountain Project prepared by SRK Consulting, Suite 602, 357 Bay Street, Toronto, ON, Canada ("SRK"), an independent mining and engineering consulting firm. The SRK feasibility study determined that the reported mineral reserves in the study are economically viable based on current information on costs and technology applicable to mining, metallurgy and other relevant factors that relate to the extraction of the mineral reserve. The mineral reserves and resources reported in the SRK feasibility study have been verified by Mike Michaud, a Mineral Economist representing SRK. Mr. Michaud is a "qualified person" within the meaning of applicable Canadian securities regulatory standards. He has verified the reserve data disclosed herein, including any relevant sampling, analytical and test data.

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MATERIAL PROPERTIES

The following discussion summarizes the primary mining properties in which Crown has a direct interest. Crown believes the properties described below are favorable for mineral development, although Crown cannot assure you that any of the properties, in which Crown has or may acquire an interest, will be economically viable.

BUCKHORN MOUNTAIN PROJECT

PROPERTY DESCRIPTION AND LOCATION

The Buckhorn Mountain Project is located on approximately 2,000 acres 24 miles east of Oroville, Washington. Crown currently owns 100% of the Buckhorn Mountain Project, which was held in a joint venture with Battle Mountain Gold Corporation ("Battle Mountain") prior to July 2001. During Crown's joint venture with Battle Mountain, the Buckhorn Mountain Project was known as the Crown Jewel

Project. Battle Mountain merged with Newmont Gold Corporation ("Newmont") on January 10, 2002.

The Buckhorn Mountain Project is held by a combination of fee ownership, fee land for which leases are held with options to purchase, and unpatented mining claims. The ore deposit lies primarily on unpatented claims owned by Crown. Royalties on mineral property controlled by Crown payable to third parties vary from a 2% net smelter return royalty to an 8.33% net profits royalty on certain unpatented mining claims. The ore body as currently defined is subject only to the sliding-scale royalty payable to Newmont of 0.5% to 4%, depending on the price of gold. The Newmont royalty may be purchased in its entirety for $2.0 million at any time before July 23, 2006.

Crown has applied for patents on nine unpatented mining claims covering approximately 150 acres.

The following map depicts the approximate location of the Buckhorn Mountain Project.

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[PICTURE]

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Buckhorn Mountain Project is located in the Okanogan Highlands, a mountainous terrain province characterized by rounded peaks and moderately steep walled valleys. The elevation range in the project area is approximately 4,500 feet to 5,500 feet.

Vegetative cover in the project area is mostly coniferous forest dominated by Douglas fir and western larch. Natural openings on forested hillsides consist of dry scrublands or grassy meadows. The climate in the deposit area can be considered temperate. The calculated mean annual precipitation is 20 inches, approximately 35% of which falls as snow. Average total snow accumulation in the area of the deposit is about three feet.

The small community of Chesaw is the closest town. Oroville (population 1,500) is the nearest incorporated community. Paved roads from Oroville approach to within six miles of the property with the remaining access by graded county road and three miles of primitive USFS road. No power exists at the location of the ore deposit. The nearest power is located three miles to the south.

HISTORY

Crown discovered the ore bodies known as the Buckhorn Mountain Project shortly after acquiring the property in 1988. Prior to that time only small prospect pits shafts and tunnels had explored the general area, none of which intersected the ore body as it is currently defined.

In March 1990, Crown entered into a joint venture agreement with Battle Mountain (the "Battle Mountain JV Agreement"), under which Battle Mountain could earn a 51% interest in the Buckhorn Mountain Project by building a 3,000-ton per day mining facility. The Battle Mountain JV Agreement was subsequently modified in May 1994 allowing Battle Mountain the right to earn a 54% interest in the Project. Under the Battle Mountain JV Agreement, as amended, Battle Mountain paid Crown $18,500,000, and funded all exploration and permitting on the Buckhorn Mountain Project through July 2001. On July 23, 2001, Crown entered into an agreement (the "Termination Agreement") with Battle Mountain to terminate the Battle Mountain JV Agreement. As part of the Termination Agreement, Crown became the sole owner and manager of the Buckhorn Mountain Project and granted Battle Mountain a sliding scale royalty of 0.5% to 4% on the first one million ounces of gold. The royalty varies with the price of gold and Crown may purchase the royalty from Newmont, as successor to Battle Mountain, for a payment of $2 million any time before July 23, 2006.

Since return of 100% ownership of the property, Crown has conducted drilling, engineering, and environmental studies and permitting activities.

GEOLOGY AND MINERALIZATION

The Buckhorn Mountain Project gold deposit occurs within a portion of an extensive skarn system formed at the southern contact between a diorite-granodiorite intrusive and sediments and volcanic rocks of Triassic age. Both the skarn system and the gold-mineralized body are largely tabular and flat lying in geometry. The skarn system shows a zonation in its composition when observed in relation to the intrusive pluton. Gold mineralization can be both concordant with the skarn or cross-cutting it. Gold enrichment occurs almost exclusively within skarnified rocks both as irregular bodies and as more continuous tabular replacements of limestone. Gold values are associated with low grades of silver (less than one ounce per ton). No other economic minerals occur within the ore.

EXPLORATION

Crown began an exploration program at the Buckhorn Mountain Project in mid-1988 and by the end of 1989 had drilled approximately 200 holes on the property. Between March 1990 and December 1992, Battle Mountain drilled over 550 holes designed to both confirm and expand the known reserve. In 2002 and 2003, Crown drilled 41 core holes to further confirm the grade and continuity of mineralization in selected parts of the ore body.

DRILLING, SAMPLE AND ANALYSIS, AND SECURITY OF SAMPLES

Drilling on the property occurred in three phases. Crown drilled core and reverse circulation rotary holes during the period of 1988 to early 1989. Battle Mountain drilled core and reverse circulation rotary holes from 1990 to 1995 and Crown drilled core holes in 2002 and 2003. During the first phase of Crown drilling, splits were taken of drill samples and submitted for analysis to Silver Valley Laboratories of Osburn, Idaho. Core was sawed and reverse circulation rotary chips were riffle split in order to obtain representative samples for analysis. Check assays of selected samples were submitted for comparison with original assays. Sample intervals were selected by the geologist in charge of the project. After acquiring its joint venture interest, Battle Mountain checked Crown's drill results by submitting splits from the core, pulps from core and reverse circulation rotary samples and reverse circulation rotary duplicate chips to a second laboratory for confirmatory assays. Additionally, Battle Mountain drilled twin holes to confirm Crown's results in selected areas.

Battle Mountain's drilling was logged by a geologist and was sampled on five-foot intervals. Entire core samples were submitted for assay and pulps were checked for re-assay. Rejects of reverse circulation rotary holes were re-assayed. Standards and blanks were submitted along with exploration samples. Battle Mountain primarily used Silver Valley Laboratory of Osburn, Idaho for assay services.

Samples from Crown's second phase of drilling in 2002 and 2003 were check assayed. Imbedded standards, sample duplicates and blanks were assayed. Crown used ALS laboratories of Spokane, Washington as the primary laboratory and ALS Chemex laboratory of Vancouver, British Columbia as the primary check assay laboratory. Core was logged and sample intervals were selected by the geological staff for analysis. Chain of custody was documented between the geologist and the laboratory. Core samples and rejects are stored on site under the supervision of Crown.

No significant sampling or analytical biases are known to exist that could affect the modeling of the resources or reserves.

TOLL MILLING AGREEMENT

On November 11, 2003, Crown entered into a toll milling agreement with Echo Bay Minerals whereby Crown has agreed to deliver ore from its Buckhorn Mountain Project deposit to Echo Bay Minerals' Kettle River mill, located near Republic, Washington approximately 92 kilometers (57 miles) from the Buckhorn Mountain Project. Under the terms of the toll milling agreement, Echo Bay Minerals agreed to process up to 1,500 tons per day of ore produced at the Buckhorn Mountain Project at a rate of $20 per ton. In addition, Crown agreed to pay a one-time capital charge of $5 million to Echo Bay Minerals on or before the last day of the calendar month following the delivery of ores from the Buckhorn Mountain Project to the Kettle River mill. The toll milling agreement is subject to Crown obtaining the necessary permits to mine and deliver the ores from the Buckhorn Mountain Project, standard toll-milling terms regarding (among other terms) grade, delivery, commingling and refining, and regulatory approval. If the merger is consummated, the toll milling agreement will be between subsidiaries of Kinross and, therefore, may be terminated.

MINERAL RESERVE ESTIMATES

MINERAL RESERVES(1)(2)(3) - BUCKHORN MOUNTAIN PROJECT

	CLASSIFICATION	TONNAGE		GOLD GRADE	
		(TONS)	(TONNES)	(OUNCES/TON)	(GRAMS/TONNE
CURRENT(4)	PROBABLE	3,075,600	2,790,200	0.32	11.1

(1) Drill spacing used to determine reserves varies from 50 to 100 feet. The cutoff grade used was 0.188 ounces per ton based on detailed costs developed in the Feasibility Study. A mill recovery of 90% was assumed.
(2) Crown's mineral reserves reported herein are classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines" as required by Canadian National Instrument 43-101.
(3) The mineral reserve estimates presented herein comply with the reserve categories required by Industry Guide 7 in the United States.
(4) Current Reserves are reported as of December 15, 2003.

The mineral reserves reported in this Proxy Statement/Prospectus have been verified by Mike Michaud, a Mineral Economist representing SRK Consulting, based in Toronto, Canada. Mr. Michaud, a "qualified person," under Canadian National Instrument 43-101, has verified the data disclosed in this Proxy Statement/Prospectus, including any relevant sampling, analytical and test data. SRK's feasibility study for the Buckhorn Mountain Project incorporates the toll milling agreement in this Proxy Statement/Prospectus and determined that the reported mineral reserves are economically viable based on current information on costs and technology applicable to mining, metallurgy, and other relevant factors that relate to the extraction of the mineral reserve.

A summary of the major assumptions is provided below:

Toll milling contract costs:	$20 per ton
Gold price:	$350 per ounce
Gold recovery from mined ore:	90%
Economic cut off grade (ounces gold/ton):	0.19
Daily production rate:	1,500 tons
Total operating costs:	$201 per ounce of gold recovered (including t agreement cost)
Initial capital costs:	$32.6 million (including contingency reserve
Sustaining capital, life of mine:	$10.0 million

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Mineral reserves were estimated based on an estimated gold price of U.S. $350 per ounce at December 31, 2003. The value of contained silver in the ore was ignored. The gold market price at the time of reporting of the reserves was substantially higher than the level used in estimating. However, the gold market price has been lower during recent time periods. If the gold market price were to decrease to significantly lower levels then Crown may determine that its reserves should be re-estimated resulting in a potential reduction in the amount of reserves. Crown estimates that mineral reserves will change if a different estimated gold price is assumed. For example, at a gold price of $325 per ounce and a cutoff of 0.20 ounces of gold per ton, probable reserves would be approximately 2,979,800 tons of ore grading at 0.33 ounces of gold per ton, resulting in 975,300 ounces of mineable reserve.

PERMITTING AND DEVELOPMENT

In July 2001, Crown became the sole owner of the Crown Jewel project and renamed it the Buckhorn Mountain Project. Previously, the Crown Jewel Project had been subject to a joint venture agreement between Crown and Battle Mountain. Battle Mountain had proposed an open-pit mining operation with an on-site processing facility. Battle Mountain's proposed open-pit Crown Jewel Project was subjected to numerous permitting and legal challenges and delays. In January of 2000, the Washington Pollution Control Hearings Board (the "PCHB") vacated the previously granted 401 Water Quality Permit and certain water rights for the Crown Jewel Project. Other permits previously granted to the Crown Jewel Project have since lapsed, some of which will have to be reacquired as part of the ongoing permitting process.

As part of the analysis of the Buckhorn Mountain Project subsequent to the January 2000 PCHB ruling, Crown retained Gochnour and Associates ("Gochnour") to review the required permits for a potential combination underground/open-pit-mine design for the Buckhorn Mountain Project ore deposit. Gochnour indicated this mine design would require conducting additional baseline studies and collecting data for modeling to amend previously approved permits as well as to obtain permits for activities that were not previously contemplated, for example the underground mining effects on ground water. Gochnour indicated the underground alternative would also require mitigation of environmental impacts. The Gochnour report concluded the proposed mine design is legally permittable.

Subsequent to the January 2000 PCHB ruling, Crown began seeking regulatory approval and permits to operate an exclusively underground mining operation at the Buckhorn Mountain Project. In May 2003, Crown submitted its Initial Buckhorn Mountain Project Plan of Operations with the USFS and the Washington State Department of Ecology. The Initial Buckhorn Mountain Project Plan of Operations was deemed complete by the USFS in August 2003. This plan proposes a processing facility seven miles from the mine that would be constructed, owned, and operated by Crown. The ore would be trucked from the mine to the mill. Crown believes this development plan significantly reduces the environmental impacts compared to the Crown Jewel open-pit mining plan proposed by Battle Mountain. Based on discussion with the regulatory agencies, Crown is unaware of any legal impediments to permitting a mining operation as proposed in the Initial Buckhorn Mountain Project Plan of Operations.

Subsequent to the signing of the toll milling agreement with Echo Bay Minerals, Crown filed an amended plan of operations as outlined in the SRK feasibility study that provides for trucking of ore from the mine to the Kettle River processing facility owned by Echo Bay Minerals. This amended plan further reduces environmental impacts in comparison to the initial Buckhorn Mountain Project Plan of Operations.

Construction of the Buckhorn Mountain Project will not begin prior to the successful issuance of the remaining permits and resolution of the potential future legal and administrative challenges. Potential delays due to the appeals process, permit process or litigation are difficult to quantify. See "--Legal Proceedings" below.

If the Kinross merger is not completed, Crown would require additional capital in the form of either equity or debt financing, or enter into a joint venture to permit, develop, and operate the Buckhorn Mountain Project. Crown cannot assure you that such financing would be available on acceptable terms in order for the Buckhorn Mountain Project to enter into commercial production. See also "--Corporate Reorganization" below and "Crown Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 37.

KINGS CANYON

The Kings Canyon property in Utah consists of 360 acres of unpatented claims. Crown holds a 100% interest in the property, subject to a 4% NSR royalty to third parties. Crown has conducted drilling at the Kings Canyon property but does not report any capitalized costs or mineral reserves. Crown continues to maintain the property and, if the proposed transaction with Kinross is not consummated, may seek a joint venture partner to further evaluate and develop Kings Canyon.

PERU, BOLIVIA, AND BRAZIL

Crown has no direct interest in properties outside of the United States. Crown currently owns a 38.7% interest in Solitario, which owns interests in and operates mineral property and operations in Peru, Bolivia, and Brazil. Crown intends to distribute its interest in Solitario to Crown shareholders prior to completion of the merger. If the distribution occurs, Crown will have essentially no interest in Solitario as of the effective date of the merger.

MINERAL PROPERTY AND EXPLORATION EXPENDITURE OVERVIEW

During 2003, Crown incurred $1,168,000 in expenditures in support of permitting and development of its Buckhorn Mountain Project. Crown paid $15,000 in claim maintenance fee payments for 2003. Crown has acquired certain other mining claims and properties not subject to leases by deed located at its Buckhorn Mountain Project. To maintain the claims and other properties that Crown has acquired by deed or located, Crown must pay AD VALOREM property taxes in the case of the patented mining claims and fee land, and annual rental fees in the case of the unpatented mining claims. See "Considerations Related to Crown's Business." Crown paid approximately $6,000 in property taxes and $17,000 in annual rental fees related to the Buckhorn Mountain Project in 2003. Crown has no work commitments, claim maintenance fees, or property taxes remaining to be fulfilled in 2003. If the proposed merger with Kinross is not completed, Crown has budgeted $1,400,000 for permitting and development at the Buckhorn Mountain Project for 2004.

Property	Payments on unpatented mining claims in 2003	Crown's share of costs in 200
Buckhorn Mountain Project	$15,000	$15,000
Kings Canyon	2,000	2,000
Total	$17,000	$17,000

EXPLORATION ACTIVITIES

Historically, a significant part of Crown's business involves the review of potential property acquisitions and continuing review and analysis of properties in which it has an interest, to determine the exploration and development potential of the properties. In analyzing expected levels of expenditures for work commitments and lease obligations, Crown considers the fact that its obligations to make such payments fluctuate greatly depending on whether, among other things Crown makes a decision to sell a property interest, convey a property interest to a joint venture, or to allow its interest in a property to lapse by not making the work commitment or payment required. Crown is not currently conducting any potential property acquisitions or exploration.

EMPLOYEES

As of June 30, 2004, Crown employed seven persons, all of whom are located in the United States. Crown considers its relations with employees to be excellent. All employees are eligible to participate in Crown's stock option plans. None of Crown's employees are covered by a collective bargaining agreement. A portion of Crown's employees' time is devoted to work under a management services contract with Solitario. Solitario reimburses Crown for direct out-of-pocket expenses; payment of 25% of total corporate administrative costs for executive and technical salaries, benefits, and expenses; 50% of total corporate administrative costs for financial management and reporting salaries, benefits, and expenses; and 75% of total corporate administrative costs for investor relations salaries, benefits, and expenses. These allocations are based on estimated time and expenses spent by Crown management and employees on Crown activities and Solitario activities. Management of Crown believes these allocations are reasonable and the allocations are periodically reviewed by management and approved by independent Board members of both Crown and Solitario.

Effective with the completion of the distribution of the Solitario common stock and assuming the merger is successfully consummated, the management agreement will be terminated and Solitario will procure the services of the Crown employees directly. In the event that the merger is not successfully completed, it is anticipated that the management agreement would continue under the same or similar terms.

LEGAL PROCEEDINGS

Crown is not currently involved in any legal proceedings. Crown is not aware of any legal challenge to its current proposed mining plans at the Buckhorn Mountain Project. However, beginning in March 1997, the prior attempt to permit the Crown Jewel Project (as it was then known) was subject to various legal challenges in Washington State court, United States District Court, and administrative hearings. Prior permitting efforts centered on Battle Mountain's proposed open pit mine. That plan of operations is no longer being pursued. The currently proposed plan of operations calls for an underground mine, which Crown anticipates will address many of the prior concerns. Most notably, the current proposed plan substantially reduces the number of surface acres that will be impacted by mining operations and utilizes the existing Kettle River processing facility owned by Kinross, so that a new processing facility will no longer need to be constructed at or near the proposed mine. Although none of the previous legal challenges or protests relates to Crown's current proposed plan of operations, Crown cannot make assurances that future litigation will not be filed.

On April 16, 1992, Crown filed a patent application with the United States Department of the Interior relating to the property underlying the Buckhorn Mountain Project. The Mining Law of 1872 of the United States allows owners of unpatented mining claims that demonstrate economic viability of mineralization discovered on such claims to apply for patent of the unpatented claim. Patenting involves the transfer of surface ownership from the United States Government to the successful patent applicant. Certain opposition groups filed a protest to Crown's patent application with the Department of Interior. Crown has filed a response to the protest. The Department of Interior has not set a time frame for granting the patents or adjudicating the protest.

Approval of this patent application will not change the ultimate ownership of the reserves at the Buckhorn Mountain Project. Currently, retention of the mineral rights under the unpatented claims is subject to meeting certain annual maintenance work requirements and the payment of annual claim fees. Approval of the patent application will eliminate the annual maintenance and fee requirements as well as combine perfected title to the surface rights with Crown's existing mineral rights. If the Department of the Interior does not grant the patents, it will not affect Crown's rights to mine the unpatented claims nor require a modification to the currently proposed plan of operations at the Buckhorn Mountain Project.

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CORPORATE REORGANIZATION

PLAN OF REORGANIZATION

On March 8, 2002, Crown filed a voluntary petition for protection under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy") in the United States Bankruptcy Court for the District of Colorado (the "Court"). As part of the Bankruptcy, Crown filed a Plan of Reorganization (the "Plan") and a Disclosure Statement with the Court on March 25, 2002. On May 30, 2002, the Court confirmed the Plan, which became effective on June 11, 2002 (the "Effective Date"). As part of the Plan, Crown restructured its existing $15 million 5.75% Convertible Subordinated Debentures due August 2001 (the "Debentures").

The restructuring was completed through an exchange of outstanding Debentures, including any accrued interest thereon for the following consideration: (i) issuance of $1,000,000 in cash; (ii) $2,000,000 in 10% Convertible Secured Notes (the "Secured Notes") convertible into Crown common shares at $0.35 per share; (iii) $4,000,000 of convertible unsecured subordinated notes (the "Subordinated Notes") convertible into shares of Crown common stock at $0.75 per share; and (iv) warrants, which expired in October 2006 that entitle the holders the right to purchase, in the aggregate, 5,714,285 shares of Crown common stock at an exercise price of $0.75 per share. The interest on the Secured and Subordinated Notes was payable in cash or shares of Crown common stock, at the conversion price, at Crown's election. In November 2003, all Subordinated Notes were automatically converted into shares of Crown common stock. In December 2003, substantially all Secured Notes were converted into shares of Crown common stock.

In order to effect the Plan on the Effective Date, Crown entered into a Custody and Disbursing Agreement with Wells Fargo Bank, Minnesota N.A. (the "Disbursing Agent") as well as trust indentures with Deutsche Bank Trust Company, Americas, as Trustee on the Secured Notes and with Wells Fargo Bank Minnesota, N.A. as Trustee on the Subordinated Notes. As of June 7, 2004, $245,000 in Debenture certificates had not been presented. If all of these Debentures are presented, the Disbursing Agent will distribute $16,000 in cash, 93,333 shares of Crown common stock from the converted Secured Notes (plus interest accrued since June 11, 2002), 87,111 shares of Crown common stock from the converted Subordinated Notes (plus interest accrued since June 11, 2002), and warrants to acquire 93,333 shares of Crown common stock at an exercise price of $0.75 per share. The Debenture holders have until June 2007 to present their certificates, at which time any undistributed cash, stock, and warrants will revert to Crown.

CONTROL OF CROWN

As a result of the Plan, holders of Crown's $3,600,000 Senior Notes gained effective control of Crown (collectively the "Senior Lenders"). Senior Notes with a face value of $3,250,000 (the "Escrowed Notes") are convertible into Crown common stock at $0.35 per share and a $350,000 Solitario Note (described below) is convertible into Crown common stock at $0.2916 per share. In addition the Senior Lenders also received warrants exercisable into 10,485,714 shares of Crown common stock (the same number of shares as their Senior Notes were convertible into), with an exercise price of $0.75 per Crown share for 9,285,714 shares and an exercise price of $0.60 per Crown share for 1,200,000 shares. After the Effective Date, the Senior Lenders owned approximately 52% of Crown's common stock on a fully diluted basis.

The largest investor in the Senior Notes, Zoloto Investors, LP ("Zoloto"), owns $2,000,000 in Senior Notes and Crown warrants exercisable into 5,714,286 shares. Steven Webster, the Chairman of the Board of Crown, is the sole member of the general partner of Zoloto. Additionally, on the Effective Date, the Senior Lenders granted a pari-passu security interest in the assets securing the Senior Notes issued in connection with the Plan. However any actions related to that security interest may only be taken pursuant to a second intercreditor agreement based upon the combined vote of the Senior Lenders voting as a block, and the Secured note holders voting as a block, giving effective control of the security interest in the assets of Crown to the Senior Lenders, and ultimately to Zoloto.

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In October 2001, Solitario invested in two Secured Notes, which totaled $1,000,000 of the $3,600,000 principal amount of Secured Notes issued. The proceeds of $350,000 from the first note (the "Solitario Note") were delivered to Crown. The proceeds from the second note from Solitario, and the remaining Secured Notes of $2,600,000 or $3,250,000 in total, were placed in escrow pending the outcome of Crown's Bankruptcy. The remaining balance of the proceeds plus interest was released to Crown on the Effective Date. The independent Board members of both Crown and Solitario approved the transaction. The terms of the transaction on the Escrowed Notes were the same as given to other senior lenders of Crown (the "Senior Lenders") and, with regard to the terms of the $350,000 Solitario Note, the terms were negotiated with and approved by the other Senior Lenders.

As part of the Plan, the Senior Lenders, nominated three of the seven initial board members. Two of the three nominated, Mr. Webster and Mr. Harte, were investors in Zoloto. Zoloto also had, as part of the Voting Agreement (described below), the right to vote any outstanding shares owned by Solitario for their nominees to the board of directors at any subsequent meeting of shareholders.

Crown entered into a Voting Agreement dated as of April 15, 2002 with Zoloto and Solitario, who are each shareholders of Crown (the "Signing Shareholders"). Pursuant to the Voting Agreement, Solitario and Zoloto agree that they will each vote their owned shares during the term of the Voting Agreement for the election of three designees of Zoloto and one designee of Solitario (the "Designee Directors") to the board of directors of Crown. The Signing Shareholders agreed that any shares received by either Signing Shareholder would be subject to the Voting Agreement during its term and any successor, assignee or transferee of shares from either Signing Shareholder would be subject to the terms of the Voting Agreement during its term. The Voting Agreement terminates on June 25, 2006. As of June 7, 2004, the Signing Shareholders collectively held 1,733,866 shares, or approximately 7.7%, of the outstanding shares of Crown. As of June 7, 2004, assuming conversion of all outstanding convertible debt and exercise of all warrants on a cash basis, the Signing Shareholders collectively would hold 19,276,724 shares or approximately 38.9% of the fully diluted shares calculated on the same basis.

STOCKHOLDER AND VOTING AGREEMENT

Several directors and executive officers of Crown, and entities affiliated with these directors and officers, have entered into a stockholder and voting agreement with Kinross pursuant to which these directors and executive officers and other shareholders agreed, among other things, to convert any Senior Notes held by them to common shares prior to the record date for the special meeting and to vote all of the shares of Crown common stock owned by them, as well as all shares of Crown common stock acquired by them, in favor of the approval of the plan of merger, and against the acquisition of Crown by any person other than Kinross. As of June 7, 2004, 2,012,458 shares of Crown common stock were subject to the stockholder and voting agreement, representing approximately 9% of the outstanding shares of Crown common stock. Parties to the stockholder and voting agreement also hold $3,000,000 of Senior Notes which can be converted into 8,771,429 shares, options to acquire 1,917,500 shares, and warrants to acquire up to 8,771,429 shares. If all of these notes, options, and warrants were converted or exercised prior to the record date for the special meeting, the parties to the stockholder and voting agreement would hold 21,472,816 shares, or approximately 43.3% of the outstanding Crown common stock on a fully diluted basis. See the section entitled "Agreements Relating to the Merger--Stockholder and Voting Agreement."

PRINCIPAL SHAREHOLDERS OF CROWN

The table below sets forth information as to each person owning of record or who was known by Crown to own beneficially more than 5% of the Crown common stock (and other securities convertible into Crown common stock) as of June 7, 2004, and information as to the ownership of Crown common stock by each of its directors and by all directors and executive officers as a group. Except as otherwise indicated, all shares are owned directly, and the persons named in the table have sole voting and investment power with respect to shares shown as beneficially owned by them.

Name and Address of	Amount and Nature of Beneficial Ownership in Crown common	Percent of Crown's common stock, based on current number of outstanding common shares prior to conversion of any convertible	Ownership Assuming Conversion of other convertible	Pe com based of c secu no

Beneficial Owner(1)	stock(2)	securities(2)	securities(3)	b
Solitario Resources Corporation 4251 Kipling St., Suite 390 Wheat Ridge, CO 80033	965,491	4.3%	7,079,777(9)	
Zoloto Investors, LP 14701 St. Mary's Lane, Suite 800 Houston, TX 77079	1,733,866(6)	7.7%	19,276,724(10)	
Loeb Partners Corporation(22) 61 Broadway New York, NY 10006	3,554,985	15.9%	3,554,985	
Deephaven Domestic Capital Management(22) 130 Cheshire Lane, Suite 102 Minnetonka, MN 55305	2,539,740	11.3%	2,539,740	
Gary L. Blum 3104 Oak Lane Dallas, TX 75226	71,234	0.3%	1,214,092(11)	
Oliver Baring Devon House 12-15 Dartmouth St. London, SW1 H9BL, England	96,048	0.4%	1,524,620(12)	
Coot Investments, Ltd. Summerhays Farm Cotleigh, Honiton Devon, EX14 9HF United Kingdom	918,924	4.1%	1,337,973(13)	
Steven A. Webster	1,885,513(7)	8.4%	19,653,371(14)	
Christopher M. Harte	-	-	175,000(15)	
Christopher E. Herald	37,268(8)	0.2%	887,268(16)	
Mark E. Jones, III	87,500	0.4%	175,000(17)	
Brian Labadie	-	-	225,000(18)	
F. Gardner Parker	-	-	200,000(19)	
Ronald Shorr	-	-	175,000(15)	
James R. Maronick	2,177	0.0%	532,177(20)	
All directors and executive officers as a group (nine persons)	2,012,458	9.0%	22,522,816(21)	

(footnotes contained on following page)

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(1) Based upon information supplied to Crown by the shareholder, including filings as required under section 13 and 16 of the Securities and Exchange Act of 1934.

(2) These columns reflect the ownership of outstanding Crown common stock as of June 7, 2004. The percentages are based on the total outstanding shares as of that date of 22,428,806. In addition to the outstanding common stock, as of June 7, 2004, Crown had outstanding convertible debt, which can be converted into 10,485,714 shares of Crown common stock; warrants to acquire up to 13,380,953 shares of Crown common stock; and options to acquire up to 3,287,500 shares of Crown common stock.

(3) This column reflects the number of shares of Crown common stock held assuming the conversion or exercise of all convertible debt, warrants and options held by the identified shareholder.

(4) This column reflects the percentage ownership assuming the identified shareholder's shares in (3) above divided by all currently outstanding shares plus number of shares of Crown common stock that would be outstanding assuming the conversion or exercise of all convertible debt, warrants and options held by the identified shareholder.

(5) This column reflects the percentage ownership assuming the conversion of all convertible debt, the exercise of all options, and the exercise of all warrants for cash, which would result in 49,582,974 shares of Crown common stock issued and outstanding.

(6) Includes 965,491 shares held by Solitario Resources Corporation, which are subject to a voting agreement between Solitario and Zoloto.

(7) Includes 1,733,866 shares beneficially held by Zoloto Investors, LP, of which Mr. Webster is the sole member of the general partner.

(8) Includes 1,528 shares owned by Mr. Herald's spouse, of which Mr. Herald disclaims beneficial ownership.

(9) Includes 3,057,143 shares available upon conversion of Crown 10% convertible secured notes and 3,057,143 shares available upon the exercise of warrants. Solitario is a publicly-held corporation, whose CEO is Christopher E. Herald, the CEO of Crown.

(10) Includes 5,714,286 shares available upon conversion of Crown 10% convertible secured notes, 5,714,286 shares available from the exercise of warrants and 7,079,777 shares beneficially owned by Solitario, subject to a voting agreement between Solitario and Zoloto. Steven A. Webster is the sole member of the general partner of Zoloto.

(11) Includes 571,429 shares available upon conversion of Crown 10% convertible senior notes and 571,429 shares available upon the exercise of warrants.

(12) Includes 714,286 shares available upon conversion of Crown 10% convertible senior notes and 714,286 shares available upon the exercise of warrants.

(13) Includes 419,049 shares available upon conversion of Crown 10% convertible secured notes and 419,049 shares available upon the exercise of warrants.

(14) Includes 225,000 shares available upon exercise of Crown options and 19,276,724 shares beneficially owned by Zoloto, of which Mr. Webster is the sole member of general partner.

(15) Includes options to purchase 175,000 shares.

(16) Includes options to purchase 850,000 shares.

(17) Includes options to purchase 87,500 shares.

(18) Includes options to purchase 225,000 shares.

(19) Includes options to purchase 200,000 shares.
(20) Includes options to purchase 530,000 shares.
(21) Includes, in the aggregate, 8,771,429 shares available upon conversion of Crown convertible senior notes, 8,771,429 shares available upon the exercise of warrants and options to purchase 2,967,500 shares.
(22) Bob Grubin is a principal of Loeb Partners Corporation. Colin Smith is the CEO of Deephaven Domestic Capital Management. Bruno Hanoman is the investment manager of Coot Investments, Ltd.

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CROWN SELECTED HISTORICAL FINANCIAL INFORMATION

The selected consolidated financial data set forth below as of and for each of the five years in the period ended December 31, 2003, has been derived from the audited consolidated financial statements of Crown (not all of which financial statements are presented herein). The selected condensed consolidated financial data set forth below as of and for each of the three months ended March 31, 2004 and 2003, has been derived from the unaudited condensed consolidated financial statements of Crown. The condensed financial statements as of and for the three months ended March 31, 2004 and 2003, in the opinion of Crown management, reflect all adjustments, consisting of only normal recurring items, necessary to present fairly, in accordance with accounting principles generally accepted in the United States, the information for the interim periods indicated. Crown's historical results are not necessarily indicative of results to be expected in future periods and the results for the three months ended March 31, 2004, should not be considered indicative of results expected for the full fiscal year. The selected consolidated financial data should be read in conjunction with Crown's Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements of Crown and related notes thereto included elsewhere in this report.

BALANCE SHEET DATA:	March 31,	As of December 31,			
(in thousands)	2004	2003	2002(1)	2001(1)	2
Total assets	$34,009	$34,446	$29,644	$31,030	$2
Current portion of long term debt	49	49	70	18,302	1
Non-Current portion of long term debt	431	353	5,037	107	
Working capital (deficit)	1,753	2,082	793	(15,713)	(1
Stockholders' equity	$30,151	$30,244	$19,159	$11,630	$1

INCOME STATEMENT DATA:	March 31,		Year ended Decem		
(in thousands, except per share amounts)(3)	2004	2003(5)	2003	2002(1)	20
Revenues and property sales	$ -	$ -	$ -	$ 171	$ 2
Income (loss) before change in accounting principle	(357)	(423)	(2,989)	2,091	(2,0

Change in accounting principle(4)	-	-	-	-	
Net income (loss)	$ (357)	$ (423)	$(2,989)	$ 2,091	$(2,0
Basic income (loss) per share before change in accounting principle	$ (0.02)	$ (0.10)	$ (0.45)	$ 0.65	$ (0.
Change in accounting principle	-	-	-	-	
Basic income (loss) per share	$ (0.02)	$ (0.10)	$ (0.45)	$ 0.65	$ (0.
Diluted income (loss) per share before change in accounting principle	$ (0.02)	$ (0.10)	$ (0.45)	$ 0.10	$ (0.
Change in accounting principle	-	-	-	-	
Diluted income (loss) per share	$ (0.02)	$ (0.10)	$ (0.45)	$ 0.10	$ (0.

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(1) As restated. See note 12 to the 2003 Crown consolidated financial statements starting on page F-E1.

(2) Includes the operations of Solitario on a consolidated basis through October 18, 2000. Subsequent to October 18, 2000, the results of Solitario are reflected under the equity method of accounting.

(3) All per share amounts have been adjusted to account for the one-for-five reverse split pursuant to the Plan.

(4) Crown changed its method of accounting for exploration costs and recorded an $8.5 million charge related to the cumulative effect of the change in accounting principle to operations in 1999.

(5) The financial statements for the three months ended March 31, 2003, have been restated. See Note 8 to the condensed consolidated financial statements on page F-E46.

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CROWN MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with Crown's consolidated financial statements for the years ended December 31, 2003, 2002, and 2001, and the condensed consolidated financial statements for the three months ended March 31, 2004 and 2003, included elsewhere in this report. Crown's financial condition and results of operations are not necessarily indicative of what may be expected in future years.

As discussed in Note 12 to the consolidated financial statements for the years ended December 31, 2003, 2002, and 2001, Crown's financial statements as of and for the years ended December 31, 2002 and 2001, have been restated. As discussed in Note 8 to the condensed consolidated financial statements for the three months ended March 31, 2004 and 2003, Crown's condensed consolidated financial statements for the three months ended March 31, 2003 have been restated. The following discussion and analysis of Crown's financial condition and results of operations gives effect to the restatement.

BUSINESS OVERVIEW

Crown is a precious metals exploration company operating in the western United States. At June 30, 2004, Crown owns 37.1% of Solitario Resources Corporation ("Solitario"). Crown's investment in Solitario is accounted for under the equity method of accounting. Solitario operates as a precious and base metals exploration company in the United States, Brazil, Bolivia, and Peru.

Crown's principal expertise is in identifying properties with promising mineral potential, acquiring these properties and exploring them to an advanced stage. Crown's goal is to advance its properties and mineral interests, either on its own or through joint ventures, to the feasibility study stage and thereafter to pursue their development, typically through a joint venture with a partner that has expertise in mining operations. Crown has in the past recognized, and expects in the future to recognize, revenues from the option and sale of its properties and mineral interests to joint venture partners and from the sale of its share of metals produced from its mineral interests.

On November 20, 2003, Crown executed a definitive agreement to merge with Kinross Gold Corporation ("Kinross"), a Canadian corporation. The merger is expected to be consummated in the second quarter of 2004, and is subject to the approval of two-thirds of Crown's shareholders and customary closing conditions.

On October 8, 2003, Crown announced that it would be distributing its holdings of 9,633,585 shares of Solitario's common stock other than shares withheld to avoid the distribution of fractional shares (the "Spin-off"). Crown plans to distribute substantially all of its shares of Solitario's common stock to its shareholders prior to closing the merger with Kinross.

RECENT FINANCING TRANSACTIONS

As part of the Corporate Reorganization in 2002, Crown issued $2,000,000 in 10% convertible Secured Notes and $4,000,000 in convertible Subordinated Notes. On November 21, 2003, the Secured Notes were called for redemption, and prior to December 31, 2003, $1,994,000 of Secured Notes were converted into 5,679,142 shares of Crown common stock, with the remainder being redeemed for cash. On October 31, 2003 and November 5, 2003, a total of $839,331 of Subordinated Notes were converted into 1,119,108 shares of Crown common stock. On November 5, 2003, the remaining $3,160,669 of Subordinated Notes were automatically converted into 4,214,225 shares of Crown common stock.

On February 21, 2003, Crown issued $2.7 million of 10% Convertible Subordinated B Notes. On November 5, 2003, $2,705,000 of Subordinated B Notes automatically converted into 3,606,667 shares of Crown common stock.

CORPORATE REORGANIZATION

On March 8, 2002, Crown filed a voluntary petition for protection under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy") in the United States Bankruptcy Court for the District of Colorado (the "Court"). As part of the Bankruptcy, Crown filed a Plan of Reorganization (the "Plan") and a Disclosure Statement with the Court on March 25, 2002. On May 30, 2002, the Court confirmed the Plan, which became effective on June 11, 2002 (the "Effective Date"). As part of the Plan, Crown restructured its existing $15 million 5.75% Convertible Subordinated Debentures due August 2001 (the "Debentures").

The restructuring was completed through an exchange of outstanding Debentures, including any accrued interest thereon for the following consideration: (i) issuance of $1,000,000 in cash; (ii) $2,000,000 in 10% Convertible Secured Notes (the "Secured Notes") convertible into Crown common shares at $0.35 per share; (iii) $4,000,000 of convertible unsecured subordinated notes (the "Subordinated Notes") convertible into shares of Crown common stock at $0.75 per share; and (iv) warrants, which expired in October 2006 that entitle the holders the right to purchase, in the aggregate, 5,714,285 shares of Crown common stock at an exercise price of $0.75 per share. The interest on the Secured and Subordinated Notes was payable in cash or shares of Crown common stock, at the conversion price, at Crown's election. In November 2003, all Subordinated Notes were automatically converted into shares of Crown common stock. In December 2003, substantially all Secured Notes were converted into shares of Crown common stock.

In order to effect the Plan on the Effective Date, Crown entered into a Custody and Disbursing Agreement with Wells Fargo Bank, Minnesota N.A. (the "Disbursing Agent") as well as trust indentures with Deutsche Bank Trust Company, Americas, as Trustee on the Secured Notes and with Wells Fargo Bank Minnesota, N.A. as Trustee on the Subordinated Notes. As of June 7, 2004, $245,000 in Debenture certificates had not been presented. If all of these Debentures are presented, the Disbursing Agent will distribute $16,000 in cash, 93,333 shares of Crown common stock from the converted Secured Notes (plus interest accrued since June 11, 2002) 87,111 shares of Crown common stock from the converted Subordinated Notes (plus interest accrued since June 11, 2002), and warrants to acquire 93,333 shares of Crown common stock at an exercise price of $0.75 per share. The Debenture holders have until June 2007 to present their certificates, at which time any undistributed cash, stock, and warrants will revert to Crown.

RESULTS OF OPERATIONS

LIMITED REVENUE SOURCES

Crown currently has no source of recurring revenue and anticipates any future recurring revenue would only occur after the successful development of the Buckhorn Mountain Project. The successful development of the Buckhorn Mountain Project is dependent on several factors, many of which are beyond Crown's control. Although Crown is in the late stages of the process of securing the necessary permits for the development of the Buckhorn Mountain Project, it cannot give any assurance regarding the timing of obtaining the required permits.

Crown has historically derived its revenues from the option and sale of property interests, interest income and to a lesser extent from payments on royalty interests and the sale of its share of gold produced on its properties. Revenues from the option and sale of property interests have consisted of a small number of relatively large transactions. Such transactions have occurred, and in the future are likely to occur, if at all, at irregular intervals and have a significant impact on operating results in the periods in which they occur. In the past, Crown's exploration and development expenditures, including those of Solitario, have constituted the bulk of Crown's activities.

THREE MONTHS ENDED MARCH 31, 2004, COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2003

For the three months ended March 31, 2004, Crown had a net loss of $357,000, or $0.02 per share, compared to net loss of $423,000, or $0.10 per share for the three months ended March 31, 2003. The decrease in net loss per share is primarily due to the additional shares outstanding related to the debt conversion and warrant exercises in the fourth quarter of 2003. The reduction in the net loss in 2004 primarily related to a reduction in variable option compensation expense, which in turn is directly affected by changes in the underlying price of Crown common shares. This reduction in variable option compensation expense was partially offset by increases in general and administrative costs associated with the Kinross merger, related costs and an increase in the equity in

the loss of Solitario during the three months ended March 31, 2004, compared to the same period in the prior year. Each of these items are discussed in more detail below.

Exploration expense during the first three months of 2004 related to certain property tax and option payments. There were no similar payments during the first three months of 2003.

General and administrative expenses increased significantly to $283,000 in the first three months of 2004 from $133,000 in the same period of 2003, primarily as a result of increased professional services fees for legal and accounting related to Crown's pending merger with Kinross. Legal and accounting costs were $149,000 and $51,000, respectively, in the first three months of 2004 compared to $21,000 and $18,000, respectively, in the first three months of 2003. Amounts charged to Solitario for management fees during the first quarter of 2004 decreased to $89,000 from $97,000 in the first three months of 2003 primarily as a result of reduced activity in Solitario, compared to the prior year. Other general and administrative costs, including salaries and other personnel related costs, were comparable during the first quarter of 2004 and 2003. If the pending merger with Kinross is not completed, Crown expects the 2004 full-year general and administrative costs to be comparable to 2003 as a result of ongoing professional service costs related to the merger, which Crown incurred during the first three months of 2004 and the last three months of 2003.

Variable option compensation expense decreased significantly to $55,000 in the first quarter of 2004 compared to $416,000 in the same period of 2003, primarily as a result of an decrease in the intrinsic value of stock options due to a decrease in the value of Crown common stock from $2.58 per share at December 31, 2003 to $2.26 per share at March 31, 2004. Under variable plan accounting, which initially resulted from the re-pricing of existing options in 1999 and 1998, changes in the intrinsic value of the stock options are charged (credited) to expense over the service period (the vesting period) of the related options. Variable plan accounting continues until options are exercised, cancelled or expire. Upon exercise, variable plan option expense is recorded for the intrinsic value of the option on the date of exercise. If the pending merger with Kinross is not completed, unless there is a similar or greater increase in the market price of Crown common stock in 2004 compared to 2003, Crown would expect the variable option expense to be less in 2004 than in 2003. If the market price of Crown common stock declines during the remainder of 2004 from the March 31, 2004 market price of $2.26 per share, Crown would record a credit to expense for the change in the intrinsic value.

Crown's equity in the loss of Solitario was $202,000 in the first three months of 2004, compared to $100,000 in the same period of 2003. The increased loss resulted from Solitario's increased net exploration expense, higher general and administrative costs, and decreased interest income during 2003. Solitario's increased net exploration expense related to the majority of Solitario's exploration costs on its Pedra Branca Project in Brazil being paid by its joint venture partner on the Project. Solitario's net exploration cost increased from $9,000 in the first three months of 2003 to $193,000 in the first three months of 2004. In addition, Solitario also focused some of its exploration efforts in the first three months of 2004 on newly-acquired projects which also contributed to the increase compared to the same period of 2003. Additionally, Solitario had higher general and administrative costs, which were $176,000 in the first quarter of 2004 compared to $76,000 in the first quarter of 2003 as a result of increased legal and accounting costs related to Solitario's filing of its Form 10 registration statement with the United States Securities and Exchange Commission. If the distribution of Crown's holdings of Solitario common stock is not completed, Crown expects their 2004 equity in loss of Solitario to be comparable to 2003.

Crown recorded an income tax benefit of $185,000 in the first quarter of 2004 compared to an income tax benefit of $217,000 during the same period of 2003. The change was related to the level of pre-tax income in both periods. Although Crown expects the spin-off of their interest in Solitario to Crown stockholders to be a taxable transaction, Crown anticipates that it will not result in current tax due to the utilization of net operating losses. If Crown's pending merger with Kinross is not completed, Crown anticipates offsetting any operating losses incurred in 2004 against Crown's existing deferred tax liabilities at the statutory rate resulting in a tax benefit.

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YEAR ENDED DECEMBER 31, 2003, COMPARED TO THE YEAR ENDED DECEMBER 31, 2002

For 2003, Crown had a net loss of $2,989,000, or $0.45 per basic and diluted share, compared to net income of $2,091,000, or $0.65 and $0.10 per basic and diluted share, respectively, in 2002. The net loss in 2003 primarily resulted from a lack of any revenue during the year, along with variable option compensation expense of $3,126,000 and other costs of Crown's operations aggregating $1,609,000, with an offsetting income tax benefit of $1,720,000. The net income in 2002 primarily resulted from a $171,000 gain on the sale of Crown's Cord Ranch properties and a gain of $8,684,000 from the discharge of convertible debentures in Crown's 2002 Corporate Reorganization, offset by $387,000 in reorganization costs, variable option compensation expense of $175,000, other costs of Crown's operations aggregating $1,406,000, and an income tax provision of $4,867,000. Each of these items are discussed in more detail below.

No amounts were reported as revenues and property sales in 2003, and $171,000 was reported in 2002 in relation to the sale of the Cord Ranch properties.

Exploration expense decreased to $27,000 in 2003 from $58,000 in 2002, as Crown focused its efforts on completing the merger agreement with Kinross and finalizing its Amended Plan of Operations for the Buckhorn Mountain Project.

General and administrative expenses increased significantly to $995,000 in 2003 from $432,000 in 2002, primarily as a result of increased professional services costs and a decrease in amounts charged to Solitario, as a result of modifications to the Management and Technical Services Agreement with Solitario in July 2002. Legal and accounting costs were $526,000 in 2003 versus $81,000 in 2002. The increase in 2003 was primarily associated with costs in relation to the pending Kinross merger. In addition, the 2002 costs were lower since certain other legal and accounting costs were charged to reorganization costs in the 2002 statement of operations as in relation to the Corporate Reorganization. All reorganization costs were related to Crown's bankruptcy in 2002, totaled $387,000, and were reported separately on Crown's consolidated statement of operations. Amounts charged to Solitario for management fees in 2003 decreased to $351,000 from $449,000 in 2002 primarily as a result of a modification to the Management Agreement in July 2002 whereby the percentage of certain finance and administrative costs to be charged to Solitario decreased from 75% for both to 50% and 25%, respectively. Other general and administrative costs, including salaries and other personnel related costs, were comparable from 2002 to 2003. If Crown's pending merger with Kinross is not completed, Crown expects its general and administrative costs to be comparable to 2003 during 2004 as a result of ongoing professional service costs related to the merger, which Crown has incurred during the first three months of 2004.

Variable option compensation expense increased significantly to $3,126,000 in 2003 from $175,000 in 2002, primarily as a result of an increase in the intrinsic value of stock options due to an increase in the value of Crown common stock from $0.58 per share at December 31, 2002, to $2.58 per share at December 31, 2003. Under variable plan accounting, which initially resulted from the re-pricing of existing options in 1999 and 1998, changes in the intrinsic value of the stock options are charged (credited) to expense over the service period (the vesting period) of the related options. Variable plan accounting continues until options are exercised, cancelled or expire. If Crown's pending merger with Kinross is not completed, unless there is a similar or greater increase in the market price of Crown common stock in 2004 compared to 2003, Crown would expect its variable option expense to be less in 2004 than in 2003. If the market price of Crown common stock declines during 2004 from the December 31, 2003, market price of $2.58 per share, Crown would record a credit to expense for the change in the intrinsic value.

Crown's equity in the loss of Solitario was $571,000 in 2003, versus $873,000 in 2002. The $302,000 improvement resulted from Solitario's lower exploration expense, lower management fees, and increased interest income during 2003. Solitario's lower exploration expense accounted for approximately $220,000 of the improvement, due primarily to joint venture reimbursements during 2003. Lower management fees from Crown and increased interest income accounted for approximately $40,000 and $55,000 of the improvement, respectively, while the increase in interest income resulted primarily from Crown paying accrued interest on its debt instruments in shares of Crown common stock where the value of the shares at issuance was higher than the stated interest rate on the related debt instruments. If Crown's distribution of its holdings of Solitario common stock is not completed, Crown expects its 2004 equity in loss of Solitario to be comparable to 2003.

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Crown recorded an income tax benefit of $1,720,000 in 2003 versus an income tax provision of $4,867,000 in 2002. Although Crown expects the Spin-Off of its interest in Solitario to Crown stockholders to be a taxable transaction, Crown anticipates this will not result in current tax due to the utilization of net operating losses. If Crown's pending merger with Kinross is not completed, Crown anticipates offsetting any operating losses incurred in 2004 against its existing deferred tax liabilities at the statutory rate resulting in a tax benefit.

YEAR ENDED DECEMBER 31, 2002, COMPARED TO THE YEAR ENDED DECEMBER 31, 2001

Crown had net income of $2,091,000, or $0.65 and $0.10 per basic and diluted share, respectively in 2002 compared with a net loss of $2,098,000 or

$0.72 per basic and diluted share in 2001. The net income in 2002 primarily resulted from a gain of $8,684,000 from the discharge of convertible debentures in Crown's 2002 Corporate Reorganization less general and administrative costs of $432,000, option compensation expense of $175,000, equity in the loss of Solitario of $873,000, and income tax provision of $4,867,000.

Revenues and property sales consisted of a $171,000 gain on the sale of the Cord Ranch properties in 2002, versus $214,000 in 2001. During 2001, Crown sold its interest in Judith Gold for 200,000 shares of Canyon Resources common stock, resulting in a gain on sale of $200,000, which equaled the proceeds from the sale.

Exploration expense was $58,000 in 2002 versus $36,000 in 2001. Through mid 2001, these costs had previously been paid by Crown's former joint venture partner, Battle Mountain.

General and administrative expenses were $432,000 in 2002 compared to $828,000 in 2001. The lower costs in 2002 primarily resulted from reduced administrative costs, particularly related to legal and accounting expenses that were reduced from $425,000 in 2001 to $81,000 in 2002. The increased 2001 legal expenses for general corporate matters related to the default in 2001 on the Debentures and related restructuring negotiations. In addition, certain additional legal and accounting costs of $387,000 were incurred during 2002 as a result of the bankruptcy filing and are charged as reorganization costs. Personnel costs decreased to $570,000 in 2002 from $668,000 in 2001, primarily due to lower staffing levels in 2002 and related severance charges in 2001 of $37,000. All other general and administrative costs decreased to $230,000 in 2002 from $325,000 in 2001, due to lower spending on public relations, travel and other office costs. Crown did not hold an annual meeting in 2002 due to the bankruptcy, and as its corporate focus shifted to the corporate reorganization, Crown lowered its overall administrative spending. Amounts charged to Solitario for management fees decreased to $449,000 in 2002 from $590,000 in 2001, primarily as a result of a modification to the Management Agreement in July 2002 whereby the percentage of certain finance and administrative costs to be charged to Solitario decreased from 75% for both to 50% and 25%, respectively

In 2002, Crown recorded a charge of $175,000 for variable option compensation expense related to 2002 options grants subject to variable plan accounting. There were no charges to compensation expense for variable plan accounting in 2001, as all variable plan option grants had exercise prices in excess of the market price during the year.

Crown's equity in the loss of Solitario was $873,000 in 2002, versus $1,512,000 in 2001. The $639,000 improvement resulted from Solitario's lower exploration expense, general and administrative expenses, management fees and asset write-downs, offset by higher amortization in relation to its mineral interests. Solitario's lower exploration expense accounted for approximately $215,000 of the improvement. During 2002, Solitario's exploration activities were limited to a single project, versus three separate projects in 2001. Lower management fees from Crown and lower general and administrative expenses accounted for approximately $58,000 and $57,000 of the improvement, respectively. During 2001, Solitario recorded certain asset write-downs that accounted for $525,000 of the improvement. These improvements were offset by $191,000 due to the effect of amortization of Solitario's mineral interests recorded in 2002, where none was recorded in 2001.

Crown recorded an income tax provision of $4,867,000 in 2002, and did not record an income tax benefit in 2001 against its 2001 pretax loss due primarily to the establishment of a valuation allowance against deferred tax assets from operating loss carryovers. As a result of Crown's bankruptcy during 2002, it recognized a gain of $8,684,000 on extinguishment of Crown Debentures and it had a greater than 50% change in ownership as defined in Section 382 of the Internal Revenue Code. This resulted in the utilization of $2,953,000 (tax effected) of Crown's net operating loss carryovers and the change in ownership caused a permanent reduction in previously recorded net operating loss carryovers of $5,751,000 (tax effected) pursuant to Section 382 of the Internal Revenue Code, which

limits future taxable income available to be offset. This reduction in Crown's net operating losses during 2002 resulted in an offsetting reduction of its valuation allowance of $3,241,000 during 2002. Crown recognized tax benefits of $596,000 primarily related to net operating losses generated during the year that were offset against deferred tax liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Due to the nature of the mining business, the acquisition, exploration and development of mineral properties require significant expenditures prior to the commencement of production. Crown has in the past financed its activities through the sale of debt and equity securities, joint venture arrangements (including project financing) and the sale of interests in its properties. To the extent necessary, Crown expects to continue to use similar financing techniques.

Crown's exploration and development activities and funding opportunities, as well as those of its joint venture partners, may be materially affected by gold price and mineral commodity levels and changes in those levels. The market price of gold and mineral commodities is determined in world markets and is affected by numerous factors, all of which are beyond Crown's control.

On November 21, 2003, all $2,000,000 of the Secured Notes were called for redemption, and prior to December 31, 2003, $1,994,000 of the Secured Notes converted into 5,679,142 shares of Crown common stock, with the remainder being redeemed for cash. On October 31, 2003 and November 5, 2003, a total $839,331 of Subordinated Notes were converted into 1,119,108 shares of Crown common stock. On November 5, 2003, the remaining $3,160,669 of Subordinated Notes were automatically converted into 4,214,225 shares of Crown common stock.

On February 21, 2003, Crown issued $2,705,000 of 10% Convertible Subordinated B Notes. On November 5, 2003, all $2,705,000 of Subordinated B Notes automatically converted into 3,606,667 shares of Crown common stock.

THREE MONTHS ENDED MARCH 31, 2004, COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2003

Net cash used in operating activities increased to $663,000 in the first three months of 2004 compared to $374,000 in the first three months of 2003. The primary reason for the increase was an increase in professional services costs related to the Crown's pending merger with Kinross. Legal and accounting costs were $200,000 in the first quarter of 2004 compared to $39,000 in the first three months of 2003. Additionally Crown reduced its accounts payable and accrued liabilities by $299,000 during the first quarter of 2004 compared to $257,000 in the same period of 2003 and increased its prepaid expenses by $58,000 in the first quarter of 2004 compared to a decrease of $4,000 in the same period of 2004, which, when combined with the increased legal and accounting expense, accounted for the majority of the increased use of cash in the first quarter of 2004 over the same period of 2003. If Crown's pending merger with Kinross is not completed, Crown would expect their 2004 cash used in operating activities to be comparable to 2003, as a result of ongoing professional services costs in 2004 which have been incurred during the first quarter of 2004 and the last quarter of 2003.

Net cash used in investing activities decreased to $183,000 in the first three months of 2004 compared to $235,000 during the first three months of 2003 as a result of Crown's increased efforts at the Buckhorn Mountain Project during the first quarter of 2003. During the first three months of 2003, Crown expended $265,000 on non-interest costs in development of the Buckhorn Mountain Project compared to $93,000 during the same period of 2004. The expenditures during 2003 included $78,000 for work performed to analyze on-site milling and tailings facilities, $31,000 for study of Crown's underground mining plan and $40,000 related to completion of a drilling program, all three of which were necessary to complete the Buckhorn Mountain Project feasibility study, which was prepared by Steffen Robertson and Kirsten, an independent mining an consulting firm ("SRK") during 2003. Crown capitalized interest paid in cash during the first quarter of 2004 of $168,000 compared to no capitalized interest paid in cash during the first quarter of 2003, as all interest costs during the first quarter of 2003 were related to a combination of amortization of note discounts of $90,000 and shares of Crown common stock issued as interest of $322,000. If Crown's pending merger with Kinross is not completed, Crown expects its 2004 net cash used in investing activities to increase compared to 2003 as Crown has budgeted approximately $1,400,000 for permitting and development at its Buckhorn Mountain Project in 2004.

All interest costs, including non-cash interest costs, for the three months ended March 31, 2004 and 2003, have been capitalized as part of Crown's development of the Buckhorn Mountain Project. Crown capitalized interest costs of $168,000 and $412,000 for the three months ended March 31, 2004 and 2003, respectively. Interest costs decreased significantly during the first quarter of 2004 compared to 2003 as a result of the conversion of Crown's Subordinated, Subordinated B and Secured Notes at the end of 2003. Additionally, Crown recorded $56,000 of capitalized interest costs during the first three months of 2003 related to the issuance of shares of common stock as payment for interest obligations at market prices above the conversion price, which is charged as interest cost, and there were no similar charges in the first quarter of 2004, as Crown paid all their interest costs in cash during 2004. Crown recorded discount amortization charges (to capitalized interest) of $78,000 and $90,000 in the three months ended March 31, 2004 and 2003, respectively. If Crown's pending merger with Kinross is not completed, Crown would expect its interest costs to significantly decline for the full year for 2004 from 2003 as a result of conversion of its Secured, Subordinated and Subordinated B notes. In addition, because of an improvement in Crown's cash position, Crown anticipates continuing to pay 2004 interest on the remaining Senior Notes in cash rather than shares of Crown common stock, if the market price of their common stock is above the conversion and interest price of $0.35 per share provided for by the terms of the Senior Notes.

Net cash provided by financing activities during the first three months of 2004 was $35,000, related to proceeds from the exercise of options compared to cash provided of $2,705,000 in the same period of 2003 resulting from the issuance of the $2,705,000 Subordinated B Notes in February 2003. If Crown's pending merger with Kinross is not completed, Crown does not expect 2004 to have any significant cash provided from financing activities as Crown does not expect similar note conversions or warrant exercises, such as those that occurred in 2003, and Crown has no 2004 planned financing activities.

Cash and cash equivalents amounted to $1,554,000 at March 31, 2004. These funds are generally invested in short-term interest-bearing deposits and securities, pending investment in current and future projects. Working capital at March 31, 2004, was $1,753,000.

YEAR ENDED DECEMBER 31, 2003, COMPARED TO THE YEAR ENDED DECEMBER 31, 2002

Net cash used in operating activities increased to $813,000 in 2003 compared to $729,000 in 2002. The primary reason for the increase was an increase in professional services costs at the end of the year related to the Crown's pending merger with Kinross and a decrease in amounts charged to Solitario, as a result of modifications to the Management and Technical Services Agreement with Solitario in July 2002. Legal and accounting costs were $526,000 in 2003 versus $81,000 in 2002. The increase in 2003 was primarily associated with costs in relation to the pending Kinross merger. However, during 2002, certain other legal and accounting expense totaling $387,000 were charged to reorganization costs in the 2002 statement of operations in connection with the Corporate Reorganization. If Crown's pending merger with Kinross is not completed, Crown would expect its 2004 cash used in operating activities to be comparable to 2003, as a result of ongoing professional services costs in 2004 being incurred related to the merger.

Net cash used in investing activities increased to $1,215,000 in 2003 from $582,000 as a result of Crown's increased efforts at the Buckhorn Mountain Project since June of 2002 when the bankruptcy became effective. During 2003, Crown expended $1,168,000 on development of its Buckhorn Mountain Project compared to $564,000 during 2002. The large increase during 2003 was primarily due to an increase in work performed to complete the SRK feasibility study, as well as capitalization of cash paid for interest of $310,000 during 2003 compared to no cash paid for capitalized interest in 2002. Crown's total costs related to the feasibility study in 2003 were $345,000 compared to $56,000 in the prior year. In addition, Crown hired additional staff and expanded its on-site administrative costs, which increased to $314,000 in 2003 compared to $173,000 in 2003. Capitalized costs during 2003 also included $159,000 for additional work related to obtaining permits for the underground mine compared to $53,000 in 2002. During 2002, Crown started a drilling campaign to provide data to assist in completion of the feasibility study and for permitting the Buckhorn Mountain Project. This drilling campaign ended in 2003. Crown capitalized $40,000 related to this drilling program in 2003 compared to $251,000 in 2002. If Crown's pending merger with Kinross is not completed, Crown expects its 2004 net cash used in investing activities to increase compared to 2003 as Crown has budgeted approximately $1,400,000 for permitting and development at its Buckhorn Mountain Project in 2004.

All interest costs, including non-cash interest costs, for the three years ended December 31, 2003, have been capitalized as part of Crown's development of the Buckhorn Mountain Project. Crown capitalized interest

costs of $3,068,000, $996,000, and $1,046,000 for the years ended December 31, 2003, 2002, and 2001, respectively. Interest costs increased significantly to $3,068,000 in 2003 from $996,000 in 2002. This increase was due primarily to increased discount amortization in relation to beneficial conversion feature discounts associated with Crown's convertible debt instruments, and additional interest cost resulting from its election to issue shares of Crown common stock in satisfaction of accrued interest obligations. Interest cost on Crown's debt obligations at the stated rate in 2003 was $1,075,000 compared to $923,000 in 2002, which included $231,000 of interest on the Convertible Debentures. Crown recorded discount amortization charges (to capitalized interest) of $1,352,000 and $208,000 in 2003 and 2002, respectively. Of the 2003 discount amortization charges, $940,000 was recorded as the full amortization of all discounts associated with the conversion and redemption of the outstanding Secured Notes. As a result of fair value differences in relation to the issuance of Crown common stock in satisfaction of accrued interest charges, increases of $628,000 and decreases of $152,000 were recorded to interest costs in 2003 and 2002, respectively. If Crown's pending merger with Kinross is not completed, Crown would expect its interest costs to decline significantly in 2004 from 2003 as a result of conversion of its Secured, Subordinated and Subordinated B notes. In addition, because of an improvement in Crown's cash position, Crown anticipates paying its 2004 interest on its remaining Senior Notes in cash rather than shares of Crown common stock, if the market price of Crown common stock is above the conversion and interest price of $0.35 per share in the Senior Notes.

Net cash provided from financing activities increased to $3,360,000 in 2003 from $2,234,000 in 2004 primarily as a result of the issuance of the $2,705,000 Subordinated B Notes in February 2003, as well as the receipt of $708,000 of cash from the exercise of warrants during 2003. The balance of the $3,600,000 Senior Notes financing of $3,250,000, plus interest was delivered to Crown during 2002. Of this amount, $1,000,000 was used to pay the cash portion of the exchange with holders of the Debentures on the Effective Date of the plan of reorganization. If Crown's pending merger with Kinross is not completed, it does not expect 2004 to have any significant cash provided from financing activities as Crown has no control over note conversions or warrant exercises, such as those that occurred in 2003, and it has no 2004 planned financing activities.

YEAR ENDED DECEMBER 31, 2002, COMPARED TO THE YEAR ENDED DECEMBER 31, 2001

Net cash used in operating activities was $729,000 in 2002 compared to $763,000 in 2001. The staff levels and activities in both years were consistent and reflected a reduced level of activity for exploration and development as a result of the corporate reorganization. Although Crown recorded a gain of $8,684,000 on the discharge of its debentures in 2002, this was a non-cash transaction as was Crown's deferred tax expense recorded during the year of $4,867,000. Crown's equity in the loss of Solitario was reduced in 2002 as a result of Solitario's decreased losses.

Net cash used in investing activities in 2002 was $582,000 compared to $418,000 in 2001. Crown began work to permit and develop its Buckhorn Mountain Project during 2002 upon the completion of the corporate reorganization. These costs totaled $533,000 and included costs of $251,000 for an in-fill drilling program, $53,000 for permitting and monitoring work, $56,000 for feasibility study update, and $173,000 for related on-site administrative costs. Permitting and development work continued at a reduced rate from the time Crown terminated its joint venture with Newmont in July 2001 until the completion of Crown's bankruptcy in June of 2002. These increases in cash used in investing activities during 2002 were offset by the payment of capitalized interest costs in stock related to the Senior, Secured and Subordinated notes during 2002, compared to a cash payment for interest of $431,000 on the Debentures in 2001. During 2001, Crown received $211,000 in proceeds from asset sales, which offset its use of funds from investing activities and there was no comparable proceeds received during 2002.

Total capitalized interest costs, including non-cash interest costs, were $996,000 in 2002 compared to $1,046,000 in 2001. Interest costs decreased in 2002 as a result of the filing of bankruptcy and the confirmation of the 2002 Plan that resulted in no accrual of interest costs on the Debentures from the date of the filing. In addition, as part of the 2002 Plan, Crown exchanged

$6,000,000 in new notes for $15,000,000 of Debentures. Included in capitalized interest is amortization of warrant and beneficial conversion features related to the Senior and Secured notes of $208,000 in 2002 and $12,000 in 2001, as well as amortization of deferred offering costs related to the Debentures of $68,000 in 2001. In addition, 2002 capitalized interest cost was reduced by $152,000 as a result of issuing shares of Crown common stock in satisfaction of accrued interest, where the fair value of the issued shares was lower than the accrued interest obligation, in accordance with the terms of the related note agreements.

Net cash provided by financing activities was $2,234,000 in 2002 compared to $320,000 in 2001. Proceeds of $350,000 from the Secured Note financing were delivered to Crown in October 2001. The balance of the $3,600,000 Senior Notes financing of $3,250,000, plus interest was delivered to us during 2002. Of this

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amount, $1,000,000 was used to pay the cash portion of the exchange with holders of the Debentures on the Effective Date of the plan of reorganization.

CONTRACTUAL OBLIGATIONS AND PLANNED EXPENDITURES

Crown has budgeted $1,400,000 for permitting and development expenditures in 2004, which will be fully expended by Crown only if the pending merger with Kinross is not completed. The bulk of these costs will be for completion of a supplemental draft environmental impact statement related to the currently filed amended plan of operations for the Buckhorn Mountain Project. Crown has sufficient resources to fund its planned operations through 2005, whether or not the Kinross merger is not completed.

This plan assumes the ores from the Buckhorn Mountain Project will be trucked to Kinross' Kettle River Mill and will be processed in accordance with Crown's toll milling agreement with Kinross. The capital costs of the Buckhorn Mountain Project, through initial production, are currently estimated to be approximately $32.6 million, assuming the toll milling discussed above. If the pending merger with Kinross is not completed, Crown will require significant new financial resources in order to complete the development of the Buckhorn Mountain Project, which may be in the form of a joint venture, project or debt finance, or issuance of equity. There is no assurance Crown will be able to obtain the necessary financial resources on acceptable terms, if at all.

Future contractual obligations and cash commitments at March 31, 2004, include the payment of: Senior Notes, long-term debt, unpatented mining claim payments, and operating leases, as follows:

(in thousands)	2004	2005	2006	2007	2008+	TOTAL
Senior Notes	$ -	$ -	$3,600	$ -	$ -	$3,600
Long-term debt	50	50	-	-	-	100
Unpatented mining claim payments(1)	17	17	17	17	17	85
Asset retirement obligation	-	-	-	-	60	60
Operating leases	39	39	20	-	-	89
Total commitments	$ 97	$ 106	$3,637	$ 17	$ 77	$3,934

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(1) Assumes continued payment of mining claim payments on existing mineral properties.

Crown will need additional financial resources to pay the principal of its Senior Notes when due in 2006. There can be no assurance that Crown will be able to obtain the necessary financial resources.

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RELATED PARTY TRANSACTIONS

At June 7, 2004, Crown owned 37.1% of Solitario. Crown provides management and technical services to Solitario under a management and technical services agreement originally signed in April 1994 and modified in April 1999, December 2000, and July 2002. Under the modified agreement, Solitario reimburses Crown for direct out-of-pocket expenses; payment of 25% of Crown's corporate administrative costs for executive and technical salaries benefits and expenses, 50% of Crown's corporate administrative costs for financial management and reporting salaries, benefits and expenses and 75% of Crown's corporate administrative costs for investor relations salaries, benefits, and expenses. These allocations are based upon estimated time and expenses spent by Crown's management and employees on Crown's activities and Solitario's activities. Crown's management believes these allocations are reasonable and the allocations are periodically reviewed by management and approved by Crown's independent board members and by Solitario's independent board members. Management service fees are billed monthly, due on receipt and are generally paid within 30 days. Management service fees paid by Solitario were $89,000 and $97,000 for the three months ended March 31, 2004 and 2003, respectively, and were $351,000, for 2003, $499,000 for 2002, and $590,000 for 2001. Crown anticipates the management and technical services agreement will be terminated if its pending merger with Kinross is completed.

Crown entered into a Voting Agreement dated as of April 15, 2002, among Zoloto Investor's, LP ("Zoloto") and Solitario, who are each stockholders of Crown (the "Signing Shareholders"). Pursuant to the Voting Agreement, Solitario and Zoloto agree that they will each vote their owned shares during the term of the Voting Agreement for the election of three designees of Zoloto and one designee of Solitario (the "Designee Directors") to the board of directors of Crown. The signing shareholders agreed that any shares received by either signing shareholder would be subject to the Voting Agreement during its term and any successor, assignee, or transferee of shares from either signing shareholder would be subject to the terms of the Voting Agreement during its term. The Voting Agreement terminates on the June 26, 2006. As of June 7, 2004, the signing shareholders collectively held 1,733,866 shares or approximately 7.7% of Crown's outstanding shares. As of June 7, 2004, assuming conversion of all outstanding convertible debt and exercise of all warrants on a cash basis, the signing shareholders collectively held 19,276,724 shares, or approximately 38.9%, of the fully diluted shares calculated on the same basis.

In October 2001, Solitario invested in two Senior Notes, which totaled $1,000,000 of the $3,600,000 principal amount of Senior Notes issued. The proceeds of $350,000 from the first note (the "Solitario Note") were delivered to Crown. The Solitario Note was convertible into shares of Crown common stock at $0.2916 per share. The proceeds from the second note from Solitario (the

"$650,000 Note"), and the remaining Senior Notes of $2,600,000, or $3,250,000 in total, were placed in escrow pending the outcome of Crown's bankruptcy. The $650,000 Note was convertible into shares of Crown common stock at $0.35 per share. In March 2002, an additional $200,000 was advanced to Crown out of escrow of which Solitario's share of the advance was $56,000. Crown's 2002 Plan was confirmed on May 30, 2002, and the remaining balance of the proceeds plus interest was released to Crown on the Effective Date. The independent board members of both Solitario and Crown approved the transaction. The terms of the transaction on the Escrowed Notes were the same as given to other senior lenders of Crown (the "Senior Lenders") and, with regard to the terms of the $350,000 Solitario Note, the terms were negotiated with and approved by the other Senior Lenders.

On June 26, 2001, Solitario acquired 200,000 shares of Canyon Resources Corporation common stock as an investment from us at its fair value of $200,000 at that date. The transaction provided additional working capital to Crown, and was approved by independent board members of both Solitario and Crown.

On February 21, 2003, Solitario invested $400,000 in the Subordinated B Notes on the same terms and conditions as all other investors. On November 5, 2003, Solitario's Subordinated B Notes were automatically converted into 533,333 shares of Crown common stock, pursuant to the terms of all Subordinated B Notes, as a result of the quoted market price of Crown common stock exceeding $1.75 per share for 20 consecutive trading days. During 2003 and 2002, Crown issued 249,718 and 182,440 shares of Crown's common stock, with a value of $207,000 and $75,000, respectively, in satisfaction of its accrued interest obligations to Solitario under the Senior and Subordinated B Notes.

As of June 7, 2004, Solitario owns 965,491 shares of Crown common stock. The directors and executive officers of Crown and their affiliates, including Solitario, owned 2,012,458 shares of Crown common stock, which represents approximately 9% of the outstanding shares of Crown common stock at June 7, 2004. Solitario has

entered into a stockholder and voting agreement with Kinross, along with several of Crown's directors, Crown's executive officers and entities affiliated with these directors and officers (collectively the "Signatories"), pursuant to which the Signatories agreed, among other things, to convert any Senior Notes held by them to Crown common stock prior to the record date for the special meeting, to vote, or cause to be voted, all of the shares of Crown common stock owned by them, as set forth in the stockholder and voting agreement, as well as all shares of Crown common stock acquired by them, as set forth in the stockholder and voting agreement, in favor of the approval of the plan of merger, and against the acquisition of Crown by any person other than Kinross. As of June 7, 2004, 2,012,458 shares of Crown common stock were subject to the stockholder and voting agreement, representing approximately 9% of the outstanding shares of Crown common stock entitled to vote at the Crown special meeting. Additionally, the Signatories agreed to convert $3,000,000 of Senior Notes into 8,771,429 shares and hold options to acquire 1,917,500 shares of Crown common stock, which could be exercised prior to the record date for the shareholders' meeting, and hold warrants to acquire 8,771,429 shares of Crown common stock, which could be exercised prior to the record date for the shareholders' meeting for a total of 21,472,816 shares of Crown common stock, which would represent 43.3% of the then outstanding shares.

CRITICAL ACCOUNTING POLICIES

On January 1, 2002, Crown adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," which, among other things, required the reclassification of Crown's mineral properties as mineral interests (intangible assets). Crown's mineral interests represent mineral use rights for parcels of land not owned by it. Crown's mineral interests relate to exploration stage properties and the value of such intangible assets is primarily driven by the nature and amount of economic minerals believed to be contained, or potentially contained, in such properties. At January 1, 2002, Crown reclassified $18,474,000 from mineral properties to mineral interests. Crown amortizes mineral interests over their expected useful lives or until it has been determined the mineral interest contains proven and probable reserves. As all of Crown's capitalized costs since January 1, 2002, have related to the Buckhorn Mountain Project that has proven and probable reserves, Crown has not recorded any amortization of those costs. Crown anticipates reclassifing its mineral interests as mineral property in accordance with Emerging Issues Task Force Issue No. 04-2, "Whether Mineral Rights are Tangible or Intangible Assets" ("EITF No. 04-2") which requires companies to reclassify mineral interests as mineral properties. See "Recent Accounting Pronouncements" below.

Land and leasehold acquisition costs are capitalized as mineral interests. Development costs are capitalized as mineral properties. Where these costs relate to mineral interests or mineral properties with proven and probable reserves, these costs will be depleted using the units-of-production method over the estimated life of the reserves. If there are insufficient reserves to use as a basis for depleting such costs, they are written off as a mineral property or a mineral interest impairment in the period in which the determination is made. Interest costs are capitalized on mineral properties and mineral interests in development. Interest is capitalized by applying a weighted average interest rate, including the effect of any discounts, to the average capitalized costs during a period, up to a maximum of total interest costs incurred during the period. Crown capitalized all of its interest costs of $412,000 and $168,000 for the three months ended March 31, 2004 and 2003, respectively, and $3,068,000, $996,000, and $1,046,000 for the years ended December 31, 2003, 2002, and 2001, respectively. At March 31, 2004 and December 31, 2003, a total of $14,297,000 and $13,885,000, respectively, of interest costs have been capitalized as mineral interests and mineral properties at the Buckhorn Mountain Project.

Crown expenses all exploration costs incurred on its mineral interests, other than acquisition costs, prior to the establishment of proven and probable reserves. Upon identifying proven and probable reserves, Crown capitalized substantially all costs incurred including drilling, permitting and development as mineral property costs. Costs on mineral interests with proven and probable reserves which support development of proven and probable reserves or which expand existing proven and probable reserves are capitalized and amortized using the units-of-production method over the estimated life of the reserves. Crown regularly performs evaluations of its investment in mineral interests to assess the recoverability and or the residual value of its investments in these assets. All long-lived assets are reviewed for impairment whenever events or circumstances change which indicate the carrying amount of an asset may not be recoverable, utilizing established guidelines based upon discounted future net cash flows from the asset or upon the determination that certain exploration properties do not have sufficient potential for economic mineralization. There were no mineral interest impairments in the three months ended March 31, 2004, or in the years ended December 31, 2003, 2002, or 2001.

Crown's proven and probable reserves are based on extensive drilling, sampling, mine modeling and metallurgical testing from which economic feasibility has been determined. The price sensitivity of reserves depends upon several factors including grade, waste-to-ore ratio, and ore type. The reserves are estimated based on information available at the time the reserves are calculated. Recovery rates vary depending on the metallurgical properties of each deposit and the production process used. The reserve assumes the average recovery rate for the deposit, which takes into account the processing methods scheduled to be used. The cutoff grade, or lowest grade of mineralized material considered economic to process, varies with material type, metallurgical recoveries, and operating costs. The proven and probable reserves figures presented herein are estimates, and no assurance can be given that the indicated levels of recovery of gold will be realized. Ounces of gold in the proven and probable reserves are prior to any losses during metallurgical treatment. Reserve estimates may require revision based on actual production experience. Market price fluctuations of gold, as well as increased production costs or reduced recovery rates, could render proven and probable reserves containing relatively lower grades of mineralization uneconomic to exploit and might result in a reduction of reserves. As discussed below, the ultimate recovery of Crown's mineral reserves is dependent on obtaining necessary permits for the Buckhorn Mountain Project.

ENVIRONMENTAL, PERMITTING AND LEGAL

In July 2001, Crown became the sole owner of the Crown Jewel Project and renamed it the Buckhorn Mountain Project. Previously, the Crown Jewel Project had been subject to a joint venture agreement between Crown and Battle Mountain. Battle Mountain had proposed an open-pit mining operation with an on-site processing facility. Battle Mountain's proposed open-pit Crown Jewel Project was subjected to numerous permitting and legal challenges and delays. In January of 2000, the Washington Pollution Control Hearings Board (the "PCHB") vacated the previously granted 401 Water Quality Permit and certain water rights for the Crown Jewel Project. Other permits previously granted to the Crown Jewel Project have since lapsed, some of which will have to be reacquired as part of the ongoing permitting process.

As part of the analysis of the Buckhorn Mountain Project subsequent to the January 2000 PCHB ruling, Crown retained Gochnour and Associates ("Gochnour") to review the required permits for a potential combination underground/open-pit-mine design for the Buckhorn Mountain Project ore deposit. Gochnour indicated this mine design would require conducting additional baseline studies and collecting data for modeling to amend previously approved permits, as well as to obtain permits for activities that were not previously contemplated, for example the underground mining effects on ground water. Gochnour indicated the underground alternative would also require mitigation of environmental impacts. The Gochnour report concluded the proposed mine design is legally permittable.

During 2002, Crown began seeking regulatory approval and permits to operate an exclusively underground mining operation at the Buckhorn Mountain Project. In May 2003, Crown submitted its Initial Buckhorn Mountain Project Plan of Operations with the USFS and the Washington State Department of Ecology. The Initial Buckhorn Mountain Project Plan of Operations was deemed complete by the USFS in August 2003. This plan proposed a processing facility seven miles from the mine that Crown would construct, own, and operate. The ore would have been trucked from the mine to the mill. Crown believed this development plan significantly reduced the environmental impacts compared to the Crown Jewel open-pit mining plan proposed by Battle Mountain.

Subsequent to the signing of the toll milling agreement with Echo Bay Minerals, Crown filed an amended Buckhorn Mountain Plan of Operations as outlined in the SRK feasibility study that provides for trucking of ore from the mine to the Kettle River processing facility owned by Echo Bay Minerals. This new development plan further reduces environmental impacts in comparison to the previous Buckhorn Mountain Project Plan of Operations by eliminating the need for new milling and tailings disposal facilities.

Construction of the Buckhorn Mountain Project will not begin prior to the successful issuance of the remaining permits and resolution of the potential future legal and administrative challenges. Potential delays due to the appeals process, permit process or litigation are difficult to quantify.

RECENT ACCOUNTING PRONOUNCEMENTS

The Emerging Issues Task Force ("EITF") formed a committee ("Committee") to evaluate certain mining industry accounting issues, including issues arising from the application of SFAS No. 141, "Business Combinations" ("SFAS No. 141") and SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") to issues that included whether mineral interests conveyed by leases represent tangible or intangible assets and the amortization of such assets. In March 2004, the EITF reached a consensus in EITF Issue No. 04-2 "Whether Mineral Rights Are Tangible or Intangible Assets" (EITF No. 0-2)", subject to ratification by the Financial Accounting Standards Board ("FASB"), that mineral interests conveyed by leases should be considered tangible assets. On March 31, 2004, the FASB ratified the consensus of the EITF that mineral interests conveyed by leases should be considered tangible assets subject to the finalization of a FASB Staff Position ("FSP") in this regard. On April 30, 2004, the FASB issued a FSP amending SFAS No. 141 and SFAS No. 142 to provide that certain mineral use rights are considered tangible assets and that mineral use rights should be accounted for based on their substance. The FSP is effective for the first reporting period beginning after April 29, 2004, with early adoption permitted. Crown will reclassify all of its mineral interests conveyed by leases from mineral interests, net to mineral property, net in its balance sheets.

In May 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," which clarifies the classification as liabilities for certain financial instruments including equity shares that are mandatorily redeemable, or a financial instrument other than equity shares that has an obligation to repurchase the instrument with equity shares, including a conditional obligation to settle the financial instrument with equity shares. Crown adopted SFAS No. 150 effective for financial instruments entered into after May 31, 2003. The adoption of this statement has not had a material effect on Crown's consolidated financial position or results of operations.

In April 2003, the FASB issued SFAS No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" to amend and clarify financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities. The changes in this statement are intended to improve financial reporting by requiring that contracts with comparable characteristics be accounted for similarly to achieve more consistent reporting of contracts as either derivative or hybrid instruments. Crown adopted SFAS No. 149 and will apply it prospectively for contracts entered into or modified after June 30, 2003. The adoption of this statement has not had a material effect on Crown's consolidated financial position or results of operations.

In January 2003, the FASB issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46") and in December 2003 issued FIN 46R. FIN 46 requires the consolidation of variable interest entities which have one or both of the following attributes (1) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional financial support from other parties which is provided by other parties that will absorb some or all of the expected losses of the entity; (2) the equity investors lack controlling financial interest as evidenced by (i) the ability to make decisions regarding the entity's activities through voting or similar rights, (ii) the obligation to absorb expected losses, which make it possible for the entity to finance its activities, and (iii) the right to receive expected residual returns of the entity if they occur, which is the compensation for absorbing the expected losses. FIN 46 was immediately effective for variable interest entities formed after January 31, 2003. FIN 46R requires the adoption of either FIN 46 or FIN 46R in financial statements of public entities that have interests in structures that are commonly referred to as special purpose entities for periods ending after December 15, 2003. Application for all other types of variable interest entities is required in financial statements for periods ending after March 15, 2004. Crown has no investments in or relationships with variable interest entities at December 31, 2003. The adoption of FIN 46R did not have a material effect on Crown's consolidated financial position or results of operations.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 requires the disclosure by guarantors of (a) the nature of any guarantee, (b) maximum potential amount of future payments associated therewith, (c) carrying amounts of liabilities, if any, related to the guarantor's obligations under the guarantee and (d) the nature and extent of any recourse or collateral for recovery of any amounts paid under the guarantee. FIN 45 also requires guarantors to recognize at the inception of a guarantee within its scope a liability for the fair value of obligations undertaken in issuing the guarantee, including the obligation to stand ready to perform over the term of guarantee. Crown has applied the provisions of FIN 45 for interim and annual periods ending after December 15, 2002, and the effect of adopting this interpretation was not material to Crown's consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which addresses financial accounting and reporting for costs associated with exit or disposal activities and generally requires that a liability for a cost associated with an exit or disposal activity be recognized and measured initially at its fair value in the period in which the liability is incurred. SFAS No. 146 does not apply to costs associated with the retirement of long-lived assets covered by SFAS No. 143. Crown has adopted the provisions of SFAS No. 146 effective for exit or disposal activities initiated after December 31, 2002. The adoption of this statement has not had a material effect on Crown's consolidated financial position or results of operations.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical

Corrections." SFAS No. 145 eliminates inconsistencies between the accounting for sale-leaseback transactions and the required accounting for certain lease modifications. This statement also requires that gains and losses from debt extinguishments should be classified as extraordinary items only if they meet the criteria of Accounting Principles Board Opinion No. 30. This Statement also amends existing authoritative pronouncements to make various technical corrections, clarify meanings or describe their meanings under changed conditions. Crown adopted SFAS No. 145 as of January 1, 2003. As a result of the adoption of this Statement, Crown has reclassified a $8,684,000 gain during 2002 on the discharge of its Convertible Debentures from an extraordinary item net of taxes, to a gain before related tax effects in Crown's 2002 consolidated statement of operations. The adoption of this Statement has not had any other material effects on Crown's financial position or results of operations.

On January 1, 2002, Crown adopted SFAS No. 142, which among other things required the reclassification of its capitalized land and lease acquisition costs from mineral properties to mineral interest (intangible assets). The excess of the cost of each mineral interest over Crown's estimated residual value is amortized over the proven and probable reserves on a units-of-production basis. Since January 1, 2002, all of Crown's mineral interests relate to its Buckhorn Mountain Project, which is in development and will be amortized over Crown's proven and probable reserves. Accordingly, no amortization has been recorded on these assets. Beginning January 1, 2002, Crown reclassified $18,474,000 of these costs from mineral properties to mineral interests.

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." Under SFAS No. 143, the fair value of a liability for an asset retirement obligation covered under the scope of SFAS No. 143 is recognized in the period in which the liability is incurred, with a corresponding increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity would either settle the obligation for its recorded amount or incur a gain or loss upon settlement. Crown adopted SFAS No. 143 as of January 1, 2002. The adoption of this Statement has not had a material effect on Crown's consolidated financial position or results of operations.

In April 2004, the EITF issued EITF Issue No. 04-3 "Mining Assets: Impairment and Business Combinations" ("EITF No. 04-3") which evaluated certain issues related to values in mining properties beyond proven and probable reserves (VBPP) and the effects of anticipated fluctuations in the future market price of minerals. The EITF reached a consensus that fair value of mining properties generally includes both VBPP and the effects of anticipated fluctuations in the future market price of minerals and that entities should generally include both in determining the fair value allocated to mining assets in a purchase price allocation and in the cash flow analysis (both discounted and undiscounted) used for determining whether a mining asset is impaired. The consensus reached by the EITF should be applied prospectively in the periods after March 31, 2004, but early application is permitted in periods for which financial statements have not been issued. Crown does not expect that the adoption of EITF No. 04-3 will have a material impact on its financial position, results of operations, or cash flows.

DISCLOSURE ABOUT MARKET RISKS

INTEREST RATE RISKS

The Senior Notes are not subject to market risk since they have a fixed interest rate and a repayment amount payable either in cash or shares of Crown common stock. Crown does not use financial or other derivative instruments to manage interest market risks. A hypothetical change of 1% in the interest rate earned on short-term investments during 2003 would have resulted in an increase or decrease of less than $10,000 in net income.

FLUCTUATIONS IN COMMODITY PRICES

Crown is also exposed to commodity price risks for changes in the price of precious and base metals insofar as such changes may affect the economic viability of its exploration and development projects. A change of 10% in the price of gold, silver, or zinc would not have resulted in a material change to the carrying value of the Crown assets, liabilities, or net income. Given that the feasibility study for the Buckhorn Mountain Project utilized a gold price of $350 per ounce and that the closing gold price on June 7, 2004, was $394 per ounce, a 10% change in the price of gold would not require a revision of Crown's reported reserves, costs, or capitalized costs related to the Buckhorn Mountain Project.

BUSINESS OF KINROSS

OVERVIEW

Kinross is principally engaged in the mining and processing of gold and, as a by-product, silver ore and the exploration for, and the acquisition of, gold bearing properties primarily in the Americas and Russia. The principal products of Kinross are gold and silver produced in the form of dore that is shipped to refineries for final processing.

Kinross is the continuing corporation resulting from the May 1993 amalgamation under the Business Corporations Act (Ontario) of CMP Resources Ltd. ("CMP Resources"), Plexus Resources Corporation ("Plexus Resources"), and 1021105 Ontario Corp ("1021105"). Kinross' registered and principal offices are located at Suite 5200, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y2.

Kinross' long-term financial objective is growth in cash flow and a return to sustained earnings per share through successful exploration, acquisitions, and development of existing and acquired properties. Mine operating plans focus on maximizing the pre-tax cash flow return on investment over the life of the business unit.

Kinross' operations and reserves are impacted by changes in metal prices. Over the past three years, gold has averaged approximately $315 per ounce and was $417 per ounce on the last trading day of 2003. Gold traded above $390 per ounce during much of 2003 and has continued to do so in 2004. Kinross used a forecast of $325 per ounce at the end of 2003 and $300 at the end of 2002 to estimate reserves and $350 per ounce and $325 per ounce, respectively, to assess mining assets for impairment.

Kinross' share of proven and probable reserves as at December 31, 2003, was 14.1 million ounces of gold and 38.6 million ounces of silver. These estimates have been calculated using industry standard methodology and the appropriate cut-off grade assuming a gold price of $325 per ounce.

The estimate of Kinross' mineral reserves and resources and impairment analysis is based on a number of assumptions, including the average process recovery rate at the various mining operations, the gold cutoff grade used, the foreign exchange rates for those operations not denominated in U.S. dollars, and the recovery cost per tonne. These assumptions are unique for each property and are identified for each mining operation in the table set forth on page 66. A change in the underlying assumptions, or the use of different assumptions, could have a material impact on the estimate of mineral reserves and resources or the impairment analysis of existing assets.

A critical goal for Kinross is the creation of value through the investment in quality projects and the consummation of accretive acquisitions. Kinross more than doubled its exploration and business development expenditures in 2003, increasing them to $24.3 million compared to $11.6 million in 2002. Kinross expects to continue this effort, with $20 million budgeted for exploration and business development during 2004. In addition, capital expenditures were $73.4 million in 2003 as compared to $22.6 million in 2002 and $30.4 million in 2001. Planned capital expenditures are estimated at $165 million in 2004. This capital expenditure program is the largest in Kinross' history, and it is anticipated that it will be funded from cash flow from operating activities.

RECENT DEVELOPMENTS

On January 31, 2003, Kinross completed its combination with TVX Gold Inc. ("TVX") and Echo Bay Mines Ltd. ("Echo Bay"). This combination was effected by way of a plan of arrangement under the Canada Business Corporations Act. TVX amalgamated with a wholly-owned subsidiary of Kinross and each holder of a TVX common share received 2.1667 Kinross common shares. Shareholders of Echo Bay, other than Kinross, received 0.1733 of a Kinross common shares for each Echo Bay common share. Kinross issued 177.8 million common shares with a fair value of $1,269.8 million with respect to the combination with TVX and Echo Bay. The exchange ratios reflect the one-for-three consolidation of Kinross common shares that was effective January 31, 2003, immediately prior to the combination. In a concurrent transaction, TVX acquired Newmont Mining Corporation's ("Newmont") 50% non-controlling interest in the TVX Newmont Americas Joint Venture for an aggregate purchase price of $180 million. These acquisitions are being accounted for using the purchase method of accounting. See "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Years Ended December 31, 2002, 2002, and 2001--Material Events" beginning at page 179.

On August 28, 2003, Kinross issued 23.0 million common shares for gross proceeds of CDN $213 million. The net proceeds of the offering were used to redeem Kinross' outstanding 5.5% convertible unsecured subordinated debentures. The principal amount of the convertible debentures was CDN $195.6 million. The convertible debentures were redeemed on September 29, 2003.

On December 4, 2003, Kinross and Bema Gold Corporation ("Bema") announced that their respective boards of directors approved the recommencement of gold operations at the Refugio heap leach mine located near Copiapo, Chile.

The project is expected to begin producing gold from the expanded operations in the fourth quarter of 2004. Compania Minera Maricunga ("CMM") owns the Refugio mine and is owned 50% by Kinross, as operator, and 50% by Bema. The Refugio mine had been placed on care and maintenance in May 2001 due to low gold prices and has produced declining amounts of gold from residual leaching of existing heaps since that time. During the past year, a 56,000 meter drill program was successful in expanding reserves to justify a greater than 25% expansion of daily throughput compared to historic production levels. Initially, the Verde pits are scheduled to produce 40,000 tons of ore per day, which will be crushed and placed on the leach pads. Subsequently, the new Pancho pit is expected to be mined at 35,000 tons of ore per day. In making the decision to recommence gold production at Refugio, Kinross and Bema used an assumed gold price of $350 per ounce, which resulted in an estimated life-of-mine of approximately ten years. For information concerning the estimated reserves and resources associated with Refugio, see the information in the table labeled "Mineral Reserve and Resource Statement," beginning on page 63. Kinross' 50% share of purchase commitments to reopen Refugio at December 31, 2003, was $5.4 million.

Effective June 1, 2004, Mr. Lars-Eric Johansson was appointed Executive Vice-President and Chief Financial Officer of Kinross, replacing Mr. Brian W. Penny who resigned his functions as Vice-President Finance and Chief Financial Officer for personal reasons.

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As a result of the development of the Emmanuel Creek deposit and the reopening the Kettle River mill, Kinross achieved commercial production of the first of its recent development projects in January 2004. As of March 31, 2004, approximately 106,000 tons of ore, grading approximately 0.27 ounces of gold per ton, has been delivered to the mill from the Emanuel Creek zone at the K2 mine. Kinross is currently mining the second level of primary stopes with the first secondary stope projected to come on line in May 2004. There are no material purchase commitments regarding Kettle River at December 31, 2003.

HISTORY

Following Kinross' amalgamation in May 1993 with CMP Resources, Plexus Resources and 1021105, Kinross and Falconbridge Amalco Inc. ("Falconbridge Amalco"), a corporation that was formed upon the amalgamation of Falconbridge Gold Corporation and FGC Acquisition Inc., amalgamated on December 31, 1993, by way of arrangement.

On June 1, 1998, a wholly-owned subsidiary of Kinross merged with Kinam Gold Inc. ("Kinam"), formerly Amax Gold Inc. (unless otherwise indicated herein, the term "Kinam" means Kinam and its subsidiaries). Concurrent with the merger, Cyprus Amax Minerals Company ("Cyprus Amax") contributed $135.0 million to Kinross in exchange for 11.7 million Kinross common shares and 2.9 million common share purchase warrants (the "Amax Recapitalization") and 12.7 million Kinross common shares were issued pursuant to a public offering (the "Amax Equity Financing"). As a result of the acquisition of Kinam, the Amax Recapitalization and the Amax Equity Financing, Kinross issued 55 million common shares, representing approximately 56.4% of the common shares outstanding after the merger, in addition to the common share purchase warrants to acquire 2.9 million Kinross common shares issued to Cyprus Amax, which subsequently expired unexercised. The purchase price for Kinross of the Kinam merger was $337.9 million. Kinam owned various mining properties including the Fort Knox mine near Fairbanks, Alaska, a 50% interest in the Refugio mine in Chile and a 50% interest in the Kubaka mine located in the Russian Far East.

Kinross filed articles of amalgamation on December 29, 2000, in connection with the amalgamation of Kinross with La Teko Resources Inc.

In 2001, Kinross embarked on a strategy to reduce long-term debt and the costs associated with the outstanding convertible preferred shares of Kinam (the "Kinam Preferred Shares"). The benefit to future consolidated results was a reduction of interest expense, a reduced accrual of the dividends on the Kinam Preferred Shares and lower non-cash charges such as depreciation, depletion and amortization due to a negative purchase price discrepancy resulting from the transaction being applied to the carrying value of property, plant and equipment, since the Kinam Preferred Shares were trading at a discount to their carrying value for financial reporting purposes. During 2001, Kinross repaid $46.5 million of long-term debt and acquired 945,400 Kinam Preferred Shares with a carrying value of $48.9 million in exchange for 8.1 million Kinross common shares valued at $23.2 million. The $25.7 million difference in value associated with this transaction was applied against the carrying value of certain property, plant and equipment.

Kinross completed an equity offering in February 2002, pursuant to which 7.7 million Kinross common shares were issued for net proceeds of $18.5 million. The majority of funds raised were used for a $16.00 per share cash tender offer for the Kinam Preferred Shares. 670,722 Kinam Preferred Shares were tendered having a book value of $36.6 million and were purchased by Kinross for $10.7 million ($11.4 million including costs of the tender offer). The $25.2 million difference in value associated with this transaction was applied against the carrying value of a portion of Kinam's property, plant and equipment.

On June 10, 2002, Kinross, TVX, and Echo Bay entered into a combination agreement, for the purpose of combining the ownership of their respective businesses. The combination was effected by way of a plan of arrangement under the Canada Business Corporations Act on January 31, 2003.

Also on June 10, 2002, TVX and a subsidiary of TVX entered into agreements with a subsidiary of Newmont pursuant to which TVX acquired Newmont's 50% non-controlling interest in the TVX Newmont Americas joint venture ("TVX Newmont J/V") for an aggregate purchase price of $180.0 million.

On July 1, 2002, Kinross entered into an agreement with a wholly owned subsidiary of Placer Dome Inc. ("Placer Dome"), Placer Dome (CLA) Limited ("Placer CLA"), to form a joint venture that combined the two companies' respective gold mining operations in the Porcupine district in Ontario, Canada (the "Porcupine Joint Venture"). Placer CLA owns a 51% interest and Kinross owns a 49% interest in the Porcupine Joint Venture, which is operated by a Placer CLA affiliate. Placer CLA contributed the Dome mine and mill and Kinross contributed the Hoyle Pond, Pamour and Nighthawk Lake mines as well as the Bell Creek mill. Capital and operating costs are shared in proportion to each party's ownership interest.

On December 5, 2002, Kinross completed a public offering and issued 16.6 million Kinross common shares and 25.0 million common shares purchase warrants for total proceeds of $97.7 million. Three common share purchase warrants can be exercised on or before December 5, 2007, for one Kinross common share at an exercise price of CDN $15.00.

SUBSIDIARIES AND MANAGEMENT STRUCTURE

Each of Kinross' operations is a separate business unit managed by its general manager, who in turn, reports to the Chief Operating Officer. Exploration activities, corporate financing, tax planning, additional technical support services, hedging and acquisition strategies are managed centrally. Kinross' risk management programs are subject to overview by its Audit Committee and the board of directors.

A significant portion of Kinross' business is carried on through subsidiaries. A chart showing the names of the significant subsidiaries of Kinross and their respective jurisdictions of incorporation is set out below. All subsidiaries are 100% owned unless otherwise noted. Unless otherwise indicated herein, the term "Kinross" includes, collectively, all of the subsidiaries of Kinross.

ORGANIZATION CHART

[PICTURE]

OPERATIONS

Kinross is principally engaged in the exploration for, and acquisition, development and operation of, gold-bearing properties. The material properties of Kinross are as follows:

Property	Location	Property Ownership
Fort Knox Mine(1)................	Fairbanks, Alaska, United States	100%(2)

Porcupine Joint Venture(3)........	Timmins, Ontario, Canada	49%
Kubaka Mine(4)....................	Magadan Oblast, far east Russia	98.1%(5)
La Coipa(6).......................	Chile	50%
Crixas(7).........................	Brazil	50%
Paracatu (Brasilia)(8)............	Brazil	49%
Musselwhite(9)....................	Ontario, Canada	31.9%
Round Mountain(10)................	Nevada, United States	50%

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(1) The True North property is subject to various net smelter return royalties, ranging from 3.5% to 5%. The Ryan Lode project is subject to various net smelter return royalties ranging from 3% to 5% and annual rental payments of $150,000.

(2) Kinross holds a 100% interest in the properties forming part of the Fort Knox mine except for the Gil property in which Kinross holds an 80% interest.

(3) The Porcupine Joint Venture was formed pursuant to an agreement with Placer CLA dated July 1, 2002. It owns and operates interests in two mining properties: the Hoyle Pond mine and the Dome mine. The Hoyle Pond mine is subject to two tonnage based royalties for which no expenses were accrued in 2003. A 2% net smelter royalty is payable on production from the Preston, Paymaster and Vedron properties.

(4) The Kubaka mine is subject to royalty and production based taxes which amounted to 6.0% in 2003.

(5) In February 2003, Kinross increased its interest in the Kubaka Mine to 98.1% from 54.7%.

(6) No royalties are applicable on gold and silver produced but an annual preferred dividend of $1.8 million is payable.

(7) The Crixas mine is subject to a mining tax of 1% or net sales and a profits tax of 3% of net sales.

(8) The Paracatu (Brasilia) mine is subject to a royalty 0.33% of net sales, a mining tax of 1% of net sales and a profits tax of 3% of net sales.

(9) The Musselwhite mine is subject to a 5% net profits royalty and a 3.75% net profits royalty. Nothing was paid on these royalties in 2003.

(10) The Round Mountain mine is subject to a net smelter returns royalty ranging from 3.53% to 6.35%. During 2003, this royalty averaged 4.54%. Production is also subject to a gross revenue royalty of 3.0%.

In addition, Kinross holds a 100% interest in the Blanket mine, situated in Zimbabwe, Africa, a 100% interest in the Kettle River mine in Washington, United States, a 100% interest in the Lupin mine in Nunavut Territory, Canada, a 50% interest in the New Britannia mine in Manitoba, Canada, a 50% interest in the Refugio mine, situated in Chile, and other mining properties in various stages of exploration, development, reclamation, and closure.

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OPERATIONS

Kinross' share of production in 2003 was derived from the mines in Canada (23%), the United States (47%), Russia (10%), and South America (20%).

[PICTURE]

GOLD EQUIVALENT PRODUCTION (OUNCES)

The following table summarizes production by Kinross in the last three years:

	YEARS ENDED DECEMBER 31,		
	2003	2002	200
Attributable gold equivalent production - ounces...........	1,620,410	888,634	944,
Gold sales - ounces (excluding equity accounted ounces).....	1,541,575	848,513	907,

Included in attributable gold equivalent production is silver production converted into gold production using a ratio of the average spot market prices of gold and silver for the three comparative years. The ratios were 74.79:1 in 2003, 67.24:1 in 2002, and 62.00:1 in 2001.

The following table sets forth the gold equivalent production attributable to Kinross' interest in each of its operating assets during the last three years. Information for the quarters ended March 31, 2004 and 2003 is included in the discussion under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Quarters Ended March 31, 2004 and 2003--Operating Results."

	YEARS ENDED DECEMBER 31,		
	2003	2002	2001

PRIMARY OPERATIONS:			
Fort Knox	391,831	410,519	411,221
Round Mountain(1)(4)	364,271	-	-
Porcupine Joint Venture(2)	223,960	189,464	156,581
Kubaka(3)	164,006	220,972	237,162
Paracatu (Brasilia)(1)(5)	91,176	-	-
La Coipa(1)(4)	144,125	-	-
Crixas(1)(4)	86,698	-	-
Musselwhite(1)(6)	64,978	-	-
New Britannia(1)(4)	31,627	-	-
Lupin(9)	56,008	-	-
Subtotal	1,618,680	820,955	804,964
OTHER OPERATIONS:			
Refugio(4)	-	13,047	67,211
Blanket(8)	-	41,612	39,592
Denton-Rawhide(7)	1,730	11,162	17,713
Andacollo(7)	-	1,858	11,718
Hayden Hill	-	-	1,887
Guanaco	-	-	1,718
Subtotal	1,730	67,679	139,839
Total	1,620,410	888,634	944,803

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(1) Production data is for the eleven months from February to December, 2003.

(2) 2003 production reflects Kinross' 49% ownership interest in the Porcupine Joint Venture. 2001 and 2002 production reflects Kinross' 100% ownership interest in the Hoyle Pond mine to June 30, 2002, and the 49% interest in the Porcupine Joint Venture thereafter.

(3) Represents Kinross' 54.7% ownership interest to February 28, 2003, and its 98.1% thereafter.

(4) Represents Kinross' 50% ownership interest.

(5) Represents Kinross' 49% ownership interest.

(6) Represents Kinross' 31.9% ownership interest.

(7) Includes proportionate share of Denton-Rawhide and Andacollo production, attributable to the ownership interest in Pacific Rim Mining Corp. (formerly Dayton Mining Corporation) through December 2003, when the ownership interest in Pacific Rim was sold.

(8) Because of the economic and political conditions and the negative impact of inflationary pressures in Zimbabwe, the Blanket mine was written off in 2001. Kinross commenced cost accounting for this investment in 2002 and ceased reporting its production in 2003.

(9) Production data is for the period January 31, 2003, to August, 2003, when mining operations were suspended.

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CALCULATION OF TOTAL CASH COSTS AND REALIZED REVENUE AND RECONCILIATION TO THE STATEMENT OF OPERATIONS

Total cash costs and realized revenue are non-GAAP measures and are reconciled to GAAP-based financial measures in the tables below and on the following pages. These measures are intended to provide investors with information about the cash generating capabilities (realized revenue, net of total cash costs per ounce) of the mining operations. Kinross uses this information for the same purpose and for assessing the relative current performance and operating efficiencies of its individual mining operations. Kinross uses this information to assess individual mine performance in evaluating whether to continue or suspend mining operations. Mining operations are a capital intensive business with the expenditure of significant amounts in the acquisition, exploration, and development phases, even before commencement of mining operations. In addition, capital expenditures are made after the commencement of mining operations for the maintenance, upgrade, or expansion of mining equipment and operations. The calculation of total cash costs does not include these substantial amounts for capital expenditures, even though these expenditures require the use of cash in prior and current periods. Depreciation, depletion, and amortization related to historical capital expenditures, the capital expenditures for each of the periods covered by the financial statements included herein, and planned capital expenditures are discussed throughout the Kinross management's discussion and analysis and are included in the segment information note to the audited consolidated financial statements (Note 19) for the three years ended December 31, 2003, and for the unaudited interim financial statements for the quarters ended March 31, 2004 and 2003 (Note 6). While all of these costs are required by GAAP to be included in the calculation of earnings, total cash costs and realized revenue is intended to portray the cash generating capabilities of current operations, without regard to prior capital expenditures, by showing the difference between the per ounce operating costs required to recover and refine the gold and the per ounce revenue realized on the sale of the gold during the year. These measures are commonly used by producers, technical and market analysts, and market participants involved in the mining industry as a way to judge the cash generated by current mining operations. However, the calculation of these measures by Kinross may not be identical with the calculation of similar measures used by other producers. Total cash costs and realized revenue should not be considered in isolation as a substitute for measures of performance prepared in accordance with generally accepted accounting principles and are not necessarily indicative of operating profit from operations or costs as determined under generally accepted accounting principles.

TOTAL CASH COSTS AND REALIZED REVENUE

The following table sets forth total cash costs and realized revenue for the three years ended December 31, 2003. Similar information for the quarters ended March 31, 2004 and 2003 is included in the discussion under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Quarters Ended March 31, 2004 and 2003--Costs and Expenses."

	YEARS ENDED DECEMBER 31,		
	2003	2002	200
(IN MILLIONS EXCEPT UNIT COSTS)			
CASH COSTS			
Operating expense per financial statements..............	$ 387.3	$ 174.8	$
Operating costs for attributable production.............	0.4	13.4	
Site restoration cost accruals..........................	(9.4)	(3.0)	
Change in bullion inventory.............................	(2.5)	(2.0)	
Operating costs not related to gold production	(16.4)	(4.4)	

Total cash costs	$ 359.4	$ 178.8	$
Gold equivalent production-ounces	1,620,410	888,634	94
Total cash costs per equivalent ounce of gold	$ 222	$ 201	$
REALIZED REVENUE			
Mining revenue per financial statement	$ 571.9	$ 261.0	$
Silver revenue	(22.0)	(1.4)	
	$ 549.9	$ 259.6	$
Gold ounces sold	1,541,575	848,513	90
Total realized revenue per ounce	$ 357	$ 306	$

The above non-GAAP measures have been calculated on a consistent basis in each period. For reasons of comparability, cash costs, production costs and realized revenue do not include certain items such as property write-downs which are included under GAAP in the determination of net earnings or loss.

Total cash costs is calculated in accordance with "The Gold Industry Production Cost Standard." Total cash costs and realized revenue may not be comparable to similarly titled measures of other companies.

RECONCILIATION TO SEGMENTED INFORMATION

Total cash costs used by management to assess the cash generating ability of individual operations as well as to compare with other precious metal producers. This measure is reconciled in the following table to operating expenses for calculation of total cash costs per ounce. This measure provides additional information on the cash cost of production and is congruous to information included in the segmented information note to the audited consolidated financial statements for the three years ended December 31, 2003 (Note 19). Similar information for the quarters ended March 31, 2004 and 2003 is included in the individual mine discussions under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Management's Discussion and Analysis for the Quarters Ended March 31, 2004 and 2003--Operations" as discussed in Note 6 to the unaudited interim financial statements for the quarters ended March 31, 2004 and 2003.

	FORT KNOX	ROUND MOUNTAIN	HOYLE/ PORCUPINE
FOR THE YEAR ENDED DECEMBER 31, 2003:			
Total cash costs:			
Operating expense per financial statements	$ 92.9	$ 76.7	$ 53.4
Operating costs for non-consolidated production	--	--	--
Site restoration costs	(2.5)	(1.8)	(1.6)
Change in bullion inventory	4.8	(1.6)	(1.5)
Management fees	--	--	--

Operating costs not related to gold production...	--	--	(2.9)
	$ 95.2	$ 73.3	$ 47.4
Equivalent gold ounces produced	391,831	364,271	223,960
Total cash costs per ounce	$ 243	$ 201	$ 211
Royalties	$ 1.0	$ 12.5	$ 0.1
FOR THE YEAR ENDED DECEMBER 31, 2002:			
Total cash costs(1):			
Operating expense per financial statements	$ 99.2	$ --	$ 38.6
Operating costs for non-consolidated production..	--	--	--
Site restoration costs	(1.0)	--	(1.5)
Change in bullion inventory	(2.9)	--	1.5
Management fees	--	--	--
Operating costs not related to gold production...	--	--	(0.6)
Total cash costs of production	$ 95.3	$ --	$ 38.0
Equivalent gold ounces produced	410,519	--	189,464
Total cash costs per ounce	$ 232	$ --	$ 201
FOR THE YEAR ENDED DECEMBER 31, 2001:			
Total cash costs(1):			
Operating expense per financial statements	$ 82.9	$ --	$ 29.1
Operating costs for non-consolidated production..	--	--	--
Site restoration costs	(1.2)	--	(0.2)
Change in bullion inventory	3.3	--	0.7
Management fees	--	--	--
Operating costs not related to gold production...	--	--	(1.1)
Total cash costs of production	$ 85.0	$ --	$ 28.5
Equivalent gold ounces produced	411,221	--	156,581
Total cash costs per ounce	$ 207	$ --	$ 182

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(1) Total cash costs is furnished to provide additional information and is a non-GAAP measure. This measure should not be considered in isolation as a substitute for a measure of performance prepared in accordance with generally accepted accounting principles and is not necessarily indicative of operating profit or cost from operations as determined under generally accepted accounting principles. There are no differences computing total cash costs under U.S. GAAP. Therefore, total cash costs per ounce computed in accordance with U.S. GAAP are unchanged from the Canadian GAAP amounts. For a further discussion of this non-GAAP measure, please refer to the discussion under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

PARACATU (BRASILIA)	LA COIPA	CRIXAS	MUSSELWHITE	E-CRETE	EXPLORATION AND ACQUISITIONS	CORPOR AND OT
$ 19.9	$ 34.9	$ 10.5	$ 16.5	$ 2.4	$ --	$ 49
--	--	--	--	--	--	0
(0.8)	(0.6)	(0.2)	(0.4)	--	--	(1
(0.4)	(0.6)	(0.8)	0.8	--	--	(3
--	--	--	--	--	--	--
(1.1)	--	--	(0.2)	(2.4)	--	(11
$ 17.6	$ 33.7	$ 9.5	$ 16.7	$ --	$ --	$ 34
91,176	144,125	86,698	64,978	--	--	89,3
193	$ 234	$ 109	$ 257	$ --	$ --	$ 3
$ 0.4	$ --	$ 0.3	$ --	$ --	$ --	$ --
$ --	$ --	$ --	$ --	$ 3.2	$ --	$ 1
--	--	--	--	--	--	3
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	(3.2)	--	(0
$ --	$ --	$ --	$ --	$ --	$ --	$ 3
--	--	--	--	--	--	13,0
$ --	$ --	$ --	$ --	$ --	$ --	$ 2
$ --	$ --	$ --	$ --	$ 2.6	$ --	$ 3
--	--	--	--	--	--	7
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	(2.6)	--	(2
$ --	$ --	$ --	$ --	$ --	$ --	$ 8
--	--	--	--	--	--	33,0
$ --	$ --	$ --	$ --	$ --	$ --	$ 2

MARKETING

Gold is a metal that is traded on world markets, with benchmark prices generally based on the London market (London fix). Gold has two principal uses: product fabrication and bullion investment. Fabricated gold has a wide variety of end uses, including jewelry manufacture (the largest fabrication component), electronics, dentistry, industrial and decorative uses, medals, medallions, and official coins. Gold bullion is held primarily as a store of value and a safeguard against the collapse of paper assets denominated in fiat currencies. Kinross sells all of its refined gold to banks, bullion dealers, and refiners. In 2003, Kinross had three customers that accounted for 10% or more of total sales. They were Bank of Nova Scotia, 22.5%; HSBC, 17.0%; and JP Morgan Chase, 21.0%. In 2002, the customers that accounted for 10% or more of total sales were Alpine Bank, 20%; Societe Generale, 16%; Bank of Nova Scotia, 14%; Hong Kong and Shanghai Banking Corp., 13%; and JP Morgan Chase, 18%. In 2001, these customers were Alpha Bank, 20%; Bank of Nova Scotia, 14%; Rothschilds, 14%; and JP Morgan Stanley, 11%. Due to the size of the bullion market and the above ground inventory of bullion, activities by Kinross will generally not influence gold prices. Kinross believes that the loss of any of these customers would have no material adverse impact on Kinross because of the active worldwide market for gold.

The following table sets forth for the years indicated the high and low London Bullion Market afternoon fixing prices for gold:

YEAR	HIGH	LOW
1998	$313.15	$273.40
1999	$325.50	$252.80
2000	$312.70	$263.80
2001	$293.25	$255.95
2002	$349.30	$277.75
2003	$416.25	$319.90
2004(1)	$427.25	$375.00

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(1) Information presented through June 30, 2004.

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MINERAL RESERVES AND MINERAL RESOURCES

The following tables set forth the estimated mineral reserves and mineral resources attributable to the interests held by Kinross for each of its properties which contain mineral reserves:

MINERAL RESERVE AND RESOURCE STATEMENT
ESTIMATED AT AN ASSUMED GOLD PRICE OF $325 PER OUNCE
PROVEN AND PROBABLE MINERAL RESERVES(1,3,5,6,7)
KINROSS GOLD CORPORATION'S SHARE AT DECEMBER 31, 2003

Property	Location	Kinross Interest (%)	PROVEN Tonnes (000s)	PROVEN Grade (gpt)	PROVEN Ounces (000s)	PROBABLE Tonnes (000s)	PROBABLE Grade (gpt)	PROBABLE Ounces (000s)	PR Ton (00
				GOLD					
NORTH AMERICA									
Fort Knox and area (14)	USA	100.0%	54,913	0.83	1,464	48,026	0.96	1,481	10
Round Mountain and area(15)	USA	50.0%	59,660	0.57	1,099	35,393	0.66	751	9
Porcupine Joint Venture(9,13)	Canada	49.0%	9,129	1.39	409	18,033	1.86	1,080	2
Aquarius(10)	Canada	100.0%	-	-	-	15,017	2.16	1,042	1
Musselwhite(13)	Canada	31.9%	2,366	5.63	428	1,231	5.81	230	
Lupin	Canada	100.0%	310	7.37	73	248	10.25	82	
New Britannia	Canada	50.0%	33	4.80	5	167	5.07	27	
Kettle River	USA	100.0%	405	12.22	159	75	9.09	22	
SUBTOTAL			126,815	0.89	3,636	118,190	1.24	4,715	24
SOUTH AMERICA									
Paracatu (Brasilia)(11)	Brazil	49.0%	163,971	0.42	2,225	31,829	0.38	388	19
La Coipa(13,16)	Chile	50.0%	11,358	1.20	440	4,327	1.04	145	1
Refugio	Chile	50.0%	39,747	0.89	1,138	9,819	0.78	248	4
Crixas (12)	Brazil	50.0%	1,569	6.39	323	577	7.92	147	
SUBTOTAL			216,644	0.59	4,125	46,551	0.62	927	26
ASIA									
Kubaka and area (17,18)	Russia	98.1%	903	3.92	114	720	12.80	296	
SUBTOTAL			903	3.92	114	720	12.80	296	
TOTAL GOLD (EXC. BLANKET)			344,362	0.71	7,874	165,461	1.12	5,938	50
AFRICA									
Blanket (19)	Zimbabwe	100.0%	1,300	3.71	155	1,221	4.18	164	
TOTAL GOLD (INC. BLANKET)			345,662	0.72	8,029	166,682	1.14	6,102	51

					SILVER				
SOUTH AMERICA									
La Coipa(13,16)	Chile	50.0%	11,358	69.5	25,384	4,327	89.5	12,454	1
SUBTOTAL			11,358	69.5	25,384	4,327	89.5	12,454	1
ASIA									
Kubaka and area (17,18)	Russia	98.1%	903	10.8	313	720	19.1	442	
SUBTOTAL			903	10.8	313	720	19.1	442	
TOTAL SILVER			12,260	65.2	25,696	5,047	79.5	12,896	1

NOTE: TOTALS MAY NOT ADD, DUE TO ROUNDING.

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CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED AND INDICATED RESOURCES

THIS SECTION USES THE TERMS "MEASURED" AND "INDICATED" RESOURCES. UNITED STATES INVESTORS ARE ADVISED THAT WHILE THOSE TERMS ARE RECOGNIZED AND REQUIRED BY CANADIAN REGULATIONS, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT RECOGNIZE THEM. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

MINERAL RESERVE AND RESOURCE STATEMENT
MEASURED AND INDICATED MINERAL RESOURCES (EXCLUDES PROVEN AND PROBABLE RESERVES)(2,3,4
ESTIMATED AT A GOLD PRICE OF $350 PER OUNCE
KINROSS GOLD CORPORATION'S SHARE AT DECEMBER 31, 2003

Property	Location	Kinross Interest (%)	MEASURED Tonnes (000s)	MEASURED Grade (gpt)	INDICATED Tonnes (000s)	INDICATED Grade (gpt)	MEASU Tonn (000
			GOLD				
NORTH AMERICA							
Fort Knox and area(14)	USA	100.0%	-	-	1,141	1.12	
Round Mountain and area(15)	USA	50.0%	7,662	0.43	8,258	0.62	
Porcupine Joint Venture(9,13)	Canada	49.0%	39	1.55	536	0.68	
Aquarius(10)	Canada	100.0%	-	-	-	-	
Musselwhite(13)	Canada	31.9%	696	8.80	612	7.63	

Lupin	Canada	100.0%	-	-	305	8.29
New Britannia	Canada	50.0%	95	4.42	954	5.31
Kettle River	USA	100.0%	-	-	126	9.36
George-Goose Lake(10)	Canada	100.0%	-	-	2,553	12.26
Delamar	USA	100.0%	610	0.61	1,762	1.69
SUBTOTAL			9,102	1.13	16,247	3.35
SOUTH AMERICA						
Paracatu (Brasilia)(11)	Brazil	49.0%	-	-	76,627	0.39
La Coipa(13,16)	Chile	50.0%	223	0.53	131	0.59
Refugio	Chile	50.0%	6,753	1.15	2,210	1.06
Crixas(12)	Brazil	50.0%	76	1.51	-	-
Gurupi(10)	Brazil	100.0%	-	-	60,385	1.39
SUBTOTAL			7,051	1.14	139,352	0.84
ASIA						
Kubaka and area(17,18)	Russia	98.1%	-	-	-	-
SUBTOTAL			-	-	-	-
AUSTRALIA						
Norseman(10)	Australia	100.0%	-	-	850	2.67
SUBTOTAL			-	-	850	2.67
TOTAL GOLD (EXC. BLANKET)			16,154	1.13	156,448	1.11
AFRICA						
Blanket(19)	Zimbabwe	100.0%	-	-	584	4.39
SUBTOTAL			-	-	584	4.39
TOTAL GOLD (INC. BLANKET)			16,154	1.13	157,032	1.12

	SILVER
NORTH AMERICA	

Delamar	USA	100.0%	610	64.8	1,762	39
SUBTOTAL			610	64.8	1,762	39
SOUTH AMERICA						
La Coipa(13,16)	Chile	50.0%	223	36.1	131	32
SUBTOTAL			223	36.1	131	32
ASIA						
Kubaka and area(17,18)	Russia	98.1%	-	-	-	
SUBTOTAL			-	-	-	
TOTAL SILVER			833	57.1	1,893	39

NOTE: TOTALS MAY NOT ADD, DUE TO ROUNDING.

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(1) Unless otherwise noted, Kinross' reserves are estimated using appropriate cut-off grades derived from an estimated gold price of $325 per ounce, and a silver price of $4.75 per ounce. Reserves are estimated using current and/or projected mining recoveries, operating costs, and mine plans that are unique to each property and include estimated allowances for dilution (waste) and mining (extraction) losses. Reserve estimates do not include processing losses. Reserve estimates include amounts contained in stockpiled material, but do not include estimated amounts included in material placed on leach pads or gold or silver in inventory.

(2) Unless otherwise noted, Kinross' resources are estimated using appropriate cut-off grades derived from an estimated gold price of $350 per ounce, and a silver price of $4.75 per ounce.

(3) Kinross' reserves and resources as at December 31, 2003, are classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definition and Guidelines" as per Canadian Securities Administrator's National Instrument 43-101 ("the Instrument") requirements.

(4) CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES. U.S. INVESTORS ARE ADVISED THAT USE OF THE TERMS "MEASURED RESOURCE," "INDICATED RESOURCE," AND "INFERRED RESOURCE" ARE RECOGNIZED AND REQUIRED BY CANADIAN SECURITIES REGULATIONS. THESE TERMS ARE NOT RECOGNIZED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION. U.S. INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO RESERVES.

(5) The mineral reserves presented herein comply with the reserve categories of Industry Guide 7 applied in the United States by the Securities and Exchange Commission.

(6) Individuals supervising the preparation of Kinross' reserve and resource estimates for the material properties of Kinross presented in this disclosure are listed in a separate table and meet the definition of a "qualified person" as described by the Instrument.

(7) Kinross' normal data verification procedures have been used in collecting, compiling, interpreting, and processing the data used to estimate reserves and resources. Independent data verification has not been performed.

(8) Resources, unlike reserves, do not have demonstrated economic viability.

(9) Includes the undeveloped Pamour deposit, which is subject to permitting

from Canadian authorities. The permits necessary to commence mining of the mineral reserves contained in the existing Pamour pit, north of highway 101, referred to as the phase one mine plan, have been maintained in good standing and require administrative reactivation. Additional permits are required to mine south of highway 101, which is outside the phase one mine plan. There is a high level of assurance that the project will receive all required permits for development.

(10) Undeveloped property, development assumes successful permitting allowing mining operations to be conducted.

(11) Operated by Rio Tinto plc.

(12) Operated by AngloGold Ltd.

(13) Operated by Placer Dome Inc.

(14) Includes mineral reserves from the undeveloped Gil and Ryan Lode deposits, both are part of the Fort Knox and area. Kinross holds a 100% interest in the properties forming the Fort Knox and area except for the Gil property in which Kinross holds an 80% interest.

(15) Includes mineral reserves and resources from the undeveloped Gold Hill deposit, development is dependent on successful permitting.

(16) Includes mineral reserves and resources from the undeveloped Puren Norte deposit, development is dependent on successful permitting.

(17) Includes mineral reserves from the Birkachan deposit. Open pit mining at Birkachan has been approved, underground mining remains to be permitted by Russian authorities.

(18) Includes mineral reserves and resources from the undeveloped Tsokol deposit, development is dependent on successful permitting.

(19) Reserves and resources have been presented with and without the Blanket mine located in Zimbabwe, Africa. Due to economic and political conditions and the negative impact of inflationary pressures in Zimbabwe, the Blanket mine was written off for financial reporting purposes in 2001. Kinross continues operations at the mine, but is not currently reporting production.

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The following table summarizes the assumptions used in calculating mineral resources and reserves, including average process recovery, cut off grade assumptions, the foreign exchange rate into U.S. dollars, total cost per ounce, and reserve drill spacing. The reserve estimates are based on a gold price of $325 per ounce. The estimated gold price and foreign exchange rate is not currently anticipated to change substantially for 2004 and 2005.

PROPERTY	AVERAGE PROCESS RECOVERY (%)	AVERAGE GOLD CUTOFF GRADE(S) (GPT)	FOREIGN EXCHANGE RATES (PER U.S. $)	UNIT COST (U.S. $/TONNE)	RE ----- PRO (M
GOLD					
Fort Knox and area	85.6%	0.41 to 0.55	N/A	$5.25	3
Round Mountain and area	16% to 85%	0.21 to 0.34	N/A	$3.02	1
Porcupine Joint Venture	88% to 92%	0.69 to 7.18	1.45	$11.30	
Aquarius	95.0%	0.50	1.41	$13.50	2
Musselwhite	95.2%	3.45	1.45	$35.74	5
Lupin	93.0%	6.55	1.45	$52.30	
New Britannia	94.5%	4.15	1.45	$49.32	1
Kettle River	90.0%	7.03	N/A	$52.18	2

Paracatu (Brasilia)	80.4%	0.30	3.20	$2.03	10
La Coipa	80.8%	0.45 to 0.92	750.00	$11.84	2
Refugio	48 to 67%	0.38 to 0.56	710.00	$4.53	3
Crixas	92 to 95%	2.31 to 5.82	3.10	$33.15	2
Kubaka and area	97.5%	1.58 to 7.75	N/A	$61.80	
Blanket	89.0%	3.00	2,750.00	$28.75	
SILVER					
La Coipa	62.5%	28.0 to 58.4	750.00	11.84	2

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Reserve reconciliation is shown in the following table:

MINING OPERATION	2002 PRO-FORMA RESERVES @$U.S. 300/OZ (OZS AU X 1,000)	PRODUCTION DEPLETION (OZS AU X 1,000)	RESERVE GROWTH (OZS. AU X 1,000)	2003 RESERV @$U.S. 325/ (OZS AU X 1,0
Fort Knox	2,678	(431)	698	2,945
Kubaka	156	(137)	391	410
Refugio	706	0	679	1,386
Round Mountain	1,875	(436)	410	1,850
Kettle River	4	0	177	181
Lupin	332	(60)	(117)	155
New Britannia	158	(37)	(89)	32
Porcupine Joint Venture	1,485	(252)	256	1489
Musselwhite	667	(91)	82	658
La Coipa	645	(63)	2	584
Crixas	478	(99)	90	470
Paracatu (Brasilia)	2,500	(120)	233	2613
Aquarius	1,189	0	(147)	1,042
Blanket	280	(38)	77	319
TOTAL	13,153	(1,764)	2,742	14,131

The following table reflects proven reserves attributable to Kinross' ownership interest in the indicated mines contained in stockpiles:

PROPERTY	LOCATION	KINROSS INTEREST (%)	TONNES (000S)	PROVEN GRADE (GPT)	OUNCES (000S)
GOLD					
Fort Knox	USA	100.0%	18,307	0.51	298
True North	USA	100.0%	825	0.87	23

Round Mountain	USA	50.0%	38,430	0.45	562
Porcupine Joint Venture	Canada	49.0%	6,553	0.96	202
Kubaka	Russia	98.1%	857	2.80	78
La Coipa	Chile	50.0%	3,813	0.73	89
SILVER					
Kubaka	Russia	98.1%	857	10.0	275
La Coipa	Chile	50.0%	3,813	47.2	5,787

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MINERAL RESERVES AND RESOURCES
QUALIFIED PERSONS

The following table identifies the "qualified persons," as defined in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves Definition and Guidelines," for the reserves and resource estimates with respect to the material properties in which Kinross holds an interest.

Property	Qualified Person	Company	Qualification
Fort Knox	R.Cooper	Kinross	P.Eng
Round Mountain	R.Cooper	Kinross	P.Eng
Porcupine Joint Venture	A.Still	Placer Dome	P.Geo
Musselwhite	A.Cheatle	Placer Dome	P.Geo
Paracatu (Brasilia)	M.Sharrat	RTZ	Geologist
La Coipa	J.Ochoa	Placer Dome	Chief Engineer AusIMM
Crixas	W.Yamaoka	AngloGold	Geologist CREA
Kubaka	R.Cooper	Kinross	P.Eng

MATERIAL PROPERTIES

FORT KNOX MINE AND AREA, ALASKA

Kinross is the owner of the Fort Knox mine located in Fairbanks North Star Borough, Alaska. The Fort Knox mine includes the main Fort Knox open pit mine, mill, and tailings storage facility, the True North open pit mine, which commenced production in 2001, the Ryan Lode project and an 80% ownership interest in the Gil property that is subject to a joint venture agreement with Teryl Resources Corp ("Teryl"). Kinross' ownership interest in the Fort Knox mine was acquired as a result of the acquisition of Kinam on June 1, 1998. The Fort Knox property has been pledged as security against the syndicated credit facility which supports, INTER ALIA, $25.5 million of industrial revenue bonds outstanding as at December 31, 2003.

PROPERTY DESCRIPTION AND LOCATION

FORT KNOX OPEN PIT

The Fort Knox open pit mine, mill and mineral claims cover approximately 20,463 hectares located 40 kilometers northeast of the City of Fairbanks, Alaska. Kinross owns 1,168 State of Alaska mining claims covering an area of approximately 19,962 hectares, an additional 501 hectares of mineral rights comprised of an Upland Mineral Lease issued by the State of Alaska, a Millsite Lease, and one unpatented federal lode mining claim. The Upland Mineral Lease expires in 2014 and may be renewed for a period not to exceed 55 years. Mineral reserves at the Fort Knox mine are situated on 505 hectares of land that are covered by a State of Alaska Millsite Lease that expires in 2014, and may be renewed for a period not to exceed 55 years.

The State of Alaska Millsite Lease carries a 3% production royalty, based on net income and recovery of the initial capital investment. Mineral production from State mining claims is subject to a Mine License Tax, following a three-year grace period after production commences. The license tax ranges from 3% to 7% of taxable income. There has been no production from State claims situated outside the boundaries of the Millsite Lease at the Fort Knox mine. The unpatented federal lode claim is owned by Kinross and is not currently subject to any royalty provisions. There were no royalties paid in 2003 or 2002.

All requisite permits have been obtained for mining and continued development of the Fort Knox open pit mine and are in good standing. Kinross is in compliance with the Fort Knox permits in all material respects.

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TRUE NORTH OPEN PIT

The True North open pit mine mineral claims cover approximately 3,804 hectares, located 43 kilometers northeast of the City of Fairbanks, Alaska. Kinross owns 104 State of Alaska mining claims, covering 1,619 hectares which are subject to a State production royalty tax of 3%. Mineral reserves are situated on two groups of State claims that Kinross has leased from private individuals. Mineral production to date has been from one of the leased claim blocks. Mineral leases have been executed with third parties for an additional 138 State mining claims that cover approximately 2,185 hectares. Leased claims are subject to net smelter return royalties ranging from 3.5% to 5%. Kinross paid royalties of $1.0 million in 2003 and $0.6 million in 2002.

All requisite permits have been obtained for mining of the True North open pit mine which consists of the Hindenburg, Shepard, Zeppelin, Central and East Pit zones. These permits are in good standing. Kinross is currently in compliance with the True North permits in all material respects.

RYAN LODE PROJECT

The Ryan Lode project mineral claims cover approximately 500 hectares located 10 kilometers west of the City of Fairbanks, Alaska. The claim block consists of 50 State of Alaska mining claims, ten patented federal mining claims and five unpatented federal mining claims, which are either leased from third parties or held by Kinross. All production from the State of Alaska mining claims is subject to the State of Alaska Mine License Tax following a three-year tax grace period after production commences. The State of Alaska Mine License tax is graduated from 3% to 7% of taxable income. In addition to the State of Alaska Mine License Tax, the leased claims are subject to net smelter royalties of 5%, and annual rental payments of $150,000. The annual rental payments are not deductible when computing the net smelter return royalties. Kinross paid $150,000 of annual rental payments in each of 2003 and 2002.

GIL PROPERTY

The Gil property mineral claims cover approximately 2,700 hectares located contiguous to the Fort Knox claim block. The claim block consists of 167 State of Alaska mining claims and is subject to a joint venture agreement between Kinross and Teryl. Kinross' ownership interest in the Gil claim block is 80%. All production from the State of Alaska mining claims is subject to the State of Alaska Mine License Tax following a three-year tax grace period after production commences. The State of Alaska Mine License tax is graduated from 3% to 7% of taxable income. Kinross continues to actively explore the Gil claims.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The Fort Knox mine is situated in close proximity to the City of Fairbanks, which is a major population, service and supply center for the interior region of Alaska. Services, supplies, fuel and electricity are available in Fairbanks in ample quantities to support the local and regional needs, along with the mining and processing operations of Kinross.

Access to the Fort Knox mine from Fairbanks, Alaska is by 34 kilometers of paved highway and eight kilometers of unpaved road. The True North mine is located 18 kilometers west of the Fort Knox property and is accessible by an unpaved road. The Ryan Lode project is located 65 kilometers from the Fort Knox property and is accessible by 54 kilometers of paved road and 11 kilometers of unpaved roads. The area has a sub-arctic climate, with long cold winters and short summers. Winter low temperatures drop to the range of -40 to-48 Celsius (-40 to -55 degrees Fahrenheit), while in the summer, highs may occasionally exceed 32 degrees Celsius (90 degrees Fahrenheit). The annual rainfall in Fairbanks is approximately 30 centimeters.

The area topography consists of rounded ridges with gentle side slopes. Vegetation includes spruce, birch and willow trees and various shrubs, grasses and mosses. The elevation ranges from 1,000 to 1,600 meters.

The Fort Knox milling operation obtains its process water from a fresh water reservoir located within the permitted property area. The tailings storage area on site has adequate capacity for the remaining mine life of the Fort Knox and the True North mines. Power is provided to the mine by Golden Valley Electric Association's power grid serving the area over a distribution line paid for by Kinross.

HISTORY

An Italian prospector named Felix Pedro discovered gold in the Fairbanks mining district in 1902. Between 1902 and 1993 more than 8.0 million ounces of predominately placer gold were mined in the district. In 1984 a geologist discovered visible gold in granitic hosted quartz veins on the Fort Knox property. Between 1987 and 1991, a number of companies conducted extensive exploration work on the Fort Knox, True North and Gil properties. In 1991, Kinam entered into a joint venture agreement with Teryl to explore the Gil property. In 1992, Kinam acquired ownership of the Fort Knox property. Construction of the Fort Knox mine and mill operations began in 1995 and were completed in 1997. Commercial production at Fort Knox was achieved on March 1, 1997. Construction of the mine was completed at a capital cost of approximately $373 million, which included approximately $28 million of capitalized interest. After acquiring ownership of the True North property in 1999, Kinross completed pre-production capital expenditures, primarily permitting and the building of a haulage road to the Fort Knox mill. Commercial production at True North was achieved on April 1, 2001. Pre-production capital expenditures for True North were approximately $29.6 million.

GEOLOGY AND MINERALIZATION

Kinross' mining and exploration properties are located within the Fairbanks mining district, a southwest - northeast trending belt of lode and placer gold deposits that comprise one of the largest gold producing areas in the state of Alaska.

The Fairbanks district is situated in the northwestern part of a geologic formation called the Yukon - Tanana Uplands. The Yukon - Tanana Uplands consists of a thick sequence of metamorphic rocks that range from Precambrian to upper Paleozoic in age. The dominant rock unit in the district is the Fairbanks Schist, a geologic unit comprised mostly of gray to brown fine-grained micaceous schist and micaceous quartzite. Interlayered with the Fairbanks Schist is the Cleary Sequence, a varied assemblage of metamorphic lithologies. In the northern part of the district high-grade metamorphic rocks of the Chatanika terrane have been identified.

Several intrusive bodies of different ages penetrate the Yukon-Tanana Uplands. They generally range from ultramafic to felsic in composition, and can be distinguished from older intrusive rocks by their lack of metamorphic textures.

The mineral deposits are partially situated in a structurally complex zone that has a northeast elongated orientation that parallels a fault called the Eldorado Fault. It is characterized by a series of folds, shear zones, breccias, and occasional low angle faults. These structures, which were important to the localization of gold mineralization, show a dominant strike-slip movement.

The Fort Knox gold deposit is hosted by a granitic intrusive body affecting the Yukon-Tanana Uplands. The surface exposure of the intrusive stock is elongated and measures approximately 1,067 meters in the east-west direction and 610 meters north-south.

Gold occurs in and along the margins of pegmatites, quartz veins and veinlets, quartz-filled deformation zones (shear zones), and fractures within the granite. Fractures that predated the mineralization provided the conduits for the deposition of gold. The stockwork veins strike predominantly east-west and dip randomly. Vein density decreases with depth. Shear zones generally strike northwest to southeast and dip moderately to the southwest.

There appear to be two distinct zones of gold distribution within the deposit: the inner zone, which is characterized by good continuity over considerable distances; and an outer zone, where the mineralization has shown itself to be less predictable. It appears that the differences in the continuity of the mineralization may be due to grain size changes and different phases within the stock.

Mineralization in the quartz-filled shear zones is distributed relatively evenly, and individual gold grains are generally less than 100 microns in size. In contrast, the stockwork veins have gold particle size and distribution that are more erratic. Overall, the mineralized zone has a very low sulfide content.

The True North gold deposits lies within a metamorphic unit called Chatanika terrane, constituted of marbles that are erosional remnants, schists of various composition, phyllites and quartzites. The gold mineralization is hosted in felsic schists and is frequently accompanied by carbon and carbonate alteration in sheared or otherwise structurally prepared zones. The gold is very fine grained, and is closely associated with pyrite, arsenopyrite, and stibnite in the unoxidized zones. It occurs in quartz veins, and in altered and brecciated rocks adjacent to breccia bodies. There appears to be a direct relationship between veining and gold content, as weakly veined rocks generally carry lower gold values.

EXPLORATION

The gold exploration procedures that have been utilized at the Fort Knox and True North projects include: reconnaissance and detailed geologic mapping; soil and rock chip sampling to determine the presence of gold mineralization, or associated (trace) elements; trenching of soil anomalies to create exposures of bedrock; drilling, geochemical and assay determinations for gold and associated elements.

Two types of drilling methods have been used, diamond core and reverse circulation (RC). Drilling is always completed by independent drilling contractors under the supervision of Kinross personnel. Sampling of the drill holes is done by the staff of the drill contractors, under close supervision of Kinross or contract geologists. Geochemical and assay determinations for gold and associated elements are undertaken by independent commercial laboratories. Historically, Kinross has utilized the services of two firms - ALS Chemex Laboratories and Bondar-Clegg (now owned by the ALS Chemex group). Check assay work during 2003 was switched to American Assay Laboratories, Inc. after Bondar-Clegg was acquired by the ALS Chemex group.

Kinross' regional exploration within the Fairbanks district totaled $2.4 million during 2003. Planned exploration spending for 2004 is $1.6 million.

DRILLING, SAMPLE AND ANALYSIS, AND SECURITY OF SAMPLES

Drilling is the principal tool utilized to explore for and define mineral deposits in the Fairbanks mining district. Two types of drilling are utilized during exploration and development programs at the various properties, core and reverse circulation drilling.

Core drilling is the process of obtaining continuous cylindrical samples of rock from drill holes by means of annular shaped rock cutting bits rotated by a bore-hole drilling machine. Core drilling, also referred to as diamond drilling, is commonly used to collect undisturbed and continuous samples from either complete drill holes or intervals of holes that are of particular interest for the purposes of detailed and comprehensive sampling, for geotechnical and rock strength tests, or because alternative drilling methods may be incapable of providing appropriate geological or geotechnical data.

Reverse circulation is a method of rotary drilling whereby the drilling medium is circulated to the drill bit face from the surface and the drill cuttings that are ground up by the drill bit cutting face are removed from the drill hole by the drilling medium (water, foam or other drilling muds and additives, or air) inside the drill rods. Reverse circulation drilling is a generally accepted method that is commonly used in mineral exploration and development drilling programs throughout the world.

Comprehensive drilling programs have been carried out at both the Fort Knox and True North deposits. The Fort Knox deposit has been defined by 594 drill holes (201 core holes and 393 reverse circulation holes totaling

375,230 feet), which have provided 75,046 nominal 1.52-meter long samples. The True North deposit has been defined by 1,353 drill holes (totaling 352,660 feet), which provided 70,532 nominal 1.52-meter long samples.

Core samples and reverse circulation drill cuttings are collected from each drill hole and are geologically logged. Reverse circulation rotary drill cuttings are collected at one and a half meter intervals by a geologist or helper at each drill site. Each core interval and reverse circulation rotary cutting sample is submitted to an independent assay laboratory for geochemical analysis, and the subsequent geochemical data is entered, together with information about the host rock, into the project database. In an effort to collect the most representative sample possible, 83.1 millimeter (83 millimeter prior to 1998) diameter core holes have been drilled at the Fort Knox and Ryan Lode deposits, while 64 millimeter core holes are drilled at True North and Gil. Core samples are regularly photographed and then logged and sampled in one and a half meter intervals. Data is entered on the logs in a digital format. Special emphasis is placed on shear and vein orientations, as well as mineralization and oxidation. A representative sample is retained for later use and the remainder of each interval is submitted for assay.

Drill samples are labeled and placed in bags at the drill site and prepared for transport to commercial laboratories for preparation and assay. All samples are either delivered to the preparation facility by Kinross personnel, or are picked up at a Kinross facility by employees of the laboratory.

Duplicate samples are collected from every tenth sample and a check assay is performed and compared to the original assay. As a form of quality control, the inclusion of "blank" (unmineralized) samples within each sample shipment is part of the standard procedure.

A pulp sample of known grade is also submitted to the laboratory. The sample frequency is twice per core hole, and every 30 meters for reverse circulation holes. These standards are prepared both in-house and by outside laboratories over the different exploration seasons, and they represent different ranges of gold grades. For samples with fire assays greater than 0.3 grams per tonne, the samples are resubmitted to the laboratory for a cyanide soluble assay. The purpose of this procedure is to determine mill recovery rates.

Kinross employs, as a standard operating procedure, a very detailed analysis program for determining if a particular reverse circulation drill sample is representative of the rock within the drill hole. This program includes weighing the samples to determine if the sample is under weight (indicating loss of material in the sampled interval). The presence of unusually high sample weights is often an important indicator of sample contamination in a drill hole. All assay data from mineralized intervals are analyzed by two computer programs (developed by MRDI, an independent mining consulting firm) to determine if there is a predictable repetition (cyclicity) to high grade intervals, or (decay) of assays immediately adjacent to and below high grade intervals, possibly indicating contamination of certain assay values. Any holes suspected of down hole contamination on the basis of these three criteria are examined in cross-sections. Based on how the area compared to adjacent holes, a decision is made as to whether or not the data is to be rejected. If any samples are determined from these procedures to be suspicious, that data is rejected and is excluded from the database used to estimate mineral resources.

Any mineralized drill hole interval that has a calculated recovery greater than 100% is closely scrutinized and may be rejected. This is the primary (but not only) method for determining contamination at the Fort Knox deposit, but it is a less effective method for the True North deposit, where cyclicity and decay are more effective tools.

The nature of the mineralization and host rock at the Fort Knox deposit requires that particular care be given to the collection of drill hole samples, especially for reverse circulation holes, that penetrate the water table within the deposit. The reasonableness of Kinross' methods in drilling this part of the deposit has been validated by the results of mining in several of these areas of the deposit. These techniques are now also used as standard practice at all of Kinross' properties in the Fairbanks mining district, including the True North mine.

MINERAL RESERVE AND RESOURCE ESTIMATES

The following table sets forth the estimated proven and probable reserves for the Fort Knox mine and area as at December 31, 2003, and 2002:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			2002 GOLD P U.S. $ OU	
	TONNES	AVERAGE GRADE	GOLD CONTENT	TONNES	AVE GR
	(000'S)	(GPT)	(000'S OZ)	(000'S)	(G
Proven(1)	54,913	0.83	1,464	58,414	0
Probable	48,026	0.96	1,481	38,744	0
Total	102,939	0.89	2,945	97,158	0

(1) Includes 19,132,000 tonnes of stockpiled material at December 31, 2003, with an average grade of 0.53 gpt or 321,000 ounces of proven reserves.

In addition to estimated proven and probable reserves, as at December 31, 2003, the Fort Knox mine and area has an estimated 1.141 million tonnes of measured and indicated resources at an average grade of 1.12 grams of gold per tonne at a gold price of U.S. $350 per ounce. UNITED STATES INVESTORS ARE ADVISED THAT THE TERMS "MEASURED RESOURCES" AND "INDICATED RESOURCES" ARE RECOGNIZED BY CANADIAN REGULATIONS BUT NOT BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

MINING AND MILLING OPERATIONS

The Fort Knox and True North deposits are mined by conventional open pit methods. Ore from the Fort Knox and True North mines is processed at Kinross' carbon-in-pulp mill located near the Fort Knox mine. The mill processes ore on a 24 hours per day, 365 days per year schedule.

The Fort Knox mill has a daily capacity of between 32,658 to 45,359 tonnes per day. An average of 36,400 tonnes per day is scheduled to be processed in 2004, with True North providing 8% of the mill feed. Mill feed is first crushed to minus 20 centimeters in the primary crusher located near the Fort Knox pit and conveyed 800 meters to a coarse-ore stockpile located near the mill. The crushed material is conveyed to a semi-autogenous (SAG) mill, which operates in closed circuit with two ball mills and a bank of cyclones for sizing. A portion of the cyclone underflow is screened and then directed to a gravity recovery circuit. Because the True North mineralization has a much finer gold particle size than the Fort Knox mineralization, the gravity circuit is not a significant factor in recovering True North reserves.

Correctly sized material flows into a high rate thickener and then into leach tanks where cyanide is used to dissolve the gold. Activated carbon is used in the carbon-in-pulp circuit to absorb the gold from the cyanide solution. Carbon particles loaded with gold are removed from the slurry by screening and are transferred to the gold recovery circuit where the gold is stripped from the carbon by a solution, plated onto a cathode by electrowinning, and melted into dore bars for shipment to a refiner. Mill tailings are detoxified and transferred into the tailings impoundment below the mill.

Gold recoveries at the Fort Knox mill have historically ranged from 87% to more than 90% since production began in 1996. With the commencement of feed from the True North mine in 2001, it has been necessary to add lead nitrate to the process, and make modest increases to the cyanide and lime concentrations to maintain mill recovery rates.

Kinross estimates the net present value of future cash outflows for site restoration costs at Fort Knox and True North under CICA Handbook section 3063, which is effective for years beginning January 1, 2004, at $18.9

million. Kinross has posted $14.6 million of letters of credit to various regulatory agencies in connection with its closure obligation at Fort Knox and True North.

FORT KNOX OPEN PIT

The mine production rate varies between 94,000 and 130,000 tonnes per day of total material. Mining is carried out on a year round basis, seven days a week. Standard drilling and blasting techniques are used, and the blast holes are sampled and assayed for production grade control purposes. Broken rock is loaded with a shovel or a wheel loader into haul trucks. Depending on the grade control results, the mined material is delivered to either the primary crusher, low-grade stockpiles, or to waste rock dumps.

In 1996 a 1.3 million short ton slope failure developed in the central south wall above the granite-schist contact. The slide has been stabilized. Ground water was believed to be a contributing factor to the failure, and a dewatering program is planned before mining this zone.

The mine currently has 19 dewatering wells, which produce approximately 650 gallons per minute. In 2004, two additional wells will be drilled.

Stripping of Phase-6 is scheduled to begin in 2004 on the 2200 bench. Before sustained mill feed rates from Phase-6 can be reached in mid 2006 on the 1460 bench, 55 million short tons of waste rock will be mined, at an average rate of 60,000 short tons per day. Six additional haul trucks and a loader will be added to the mining fleets in order to accomplish the stripping.

Typically, upper Phase-6 benches average 4,700 feet in length, with a mining face width of between 150 and 500 feet. Haul road access to the Phase will be from the northeastern end. Subdividing the Phase would reduce the stripping load, but due to the bench geometry and access limitations, this has not been considered.

TRUE NORTH OPEN PIT

Production rates for the True North open pit mine vary between 18,100 and 36,300 tonnes per day of material, seven days a week. Standard drilling and blasting techniques are used and the blast holes are sampled and assayed for grade control purposes. Broken rock is loaded with a shovel or a wheel loader into 77-tonne haul trucks. Mined material is delivered either to the stockpiles or to waste rock dumps.

From the stockpile, mill feed is reloaded into 77-tonne capacity trucks for the 20.9 kilometer long trip to the Fort Knox mill at 8,437 tonnes per day. The material is directed dumped into the primary crusher.

Mining at True North was temporarily suspended during the first quarter of 2004 in order to use the mining equipment at the Fort Knox pit. It is anticipated that mining operations at True North will recommence during the fourth quarter of 2004 and continue into 2005.

The current True North mining permit does not allow water discharge or mining below the water table. All the pits were designed to meet these criteria based on Kinross' current estimation of the groundwater surface. As mining progresses, refinements in the water table location may allow changes in the pit designs.

As the mine is a side hill excavation, waste rock is placed either in access roads or in dumps adjacent to the excavations. Because much of the deposit is located on north and northwest facing slopes, discontinuous permafrost is present in the mining area. Work in the permafrost areas must be done during the winter months because bulldozing becomes very difficult once the surface layers thaw. Access roads can be placed across permafrost areas but waste dumps cannot.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 100% owned Fort Knox mine for the three years ended December 31, 2003:

	YEARS EN
	2003
SELECTED PRODUCTION AND OPERATING INFORMATION:	
Tonnes mined (000's)	39,213.9
Tonnes of ore processed (000's)	13,684.6
Gold grade (gpt)	1.07
Average gold recovery (%)	83
Gold equivalent production	391,831

Number of employees		402
SELECTED FINANCIAL INFORMATION (IN MILLIONS EXCEPT UNIT COSTS):		
Revenue	$	136.3
Cost of production		95.2
Inventory change/other		(4.8)
Site restoration cost accruals		2.5
Depreciation, depletion and amortization		35.9
Interest		1.2
Exploration		2.4
		132.4
Net earnings (loss)	$	3.9
OTHER FINANCIAL INFORMATION:		
Capital expenditures (millions)	$	26.5
Unit costs:		
Total cash costs per gold equivalent ounce produced	$	243
Total cash costs per tonne milled	$	7
Total production cost per gold equivalent ounce	$	341

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measure, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

For further information on the 2003, 2002, and 2001, results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--Fort Knox Mine (100% ownership and operator); USA."

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PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

The life of mine plan prepared by Kinross provides for completion of mining at True North in 2005. From that point onwards, production will be derived entirely from the Fort Knox deposit until 2010 when the feed will originate predominantly from the low grade stockpile material.

Capital expenditures at the Fort Knox operations in 2003 were $26.5 million compared to $15.0 million during 2002. The majority of the capital expenditures was directed towards equipment purchases and rebuilds, the drilling of pit de-watering wells, and exploration. Capital expenditures for 2004 are planned to be $39.0 million, including mining equipment, development, a tailings dam lift, pit de-watering wells, and exploration. The majority of the increase in capital expenditures in 2003 was due to equipment purchases and rebuilds.

During 2003, exploration was conducted within the Fort Knox pit, on the Gil project and at Ryan Lode. Results from the Fort Knox in-pit work confirmed sufficient continuity of the mineralized zones to justify a major pit wall layback at an assumed gold price of $325 per ounce. This major layback is comprised of a three-year, approximately $60 million capital expenditure project, mostly in the form of stripping to liberate ore to prolong the economic life of the Fort Knox mine.

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[PICTURE]

Fairbanks Gold Mining, Inc.	Fort Knox Mine	Fort Knox Mine
A Subsidiary of Kinross Gold Corporation		General Arrangement

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True North Property Map

[PICTURE]

THE PORCUPINE JOINT VENTURE

GENERAL

Kinross and Placer CLA entered into an asset exchange agreement (the "Asset Exchange Agreement") and a joint venture agreement, both dated as of July 1, 2002, for the purpose of forming a joint venture that combined the two companies' respective gold mining operations in the Porcupine district in the Timmins area, Ontario, Canada (the "Porcupine Joint Venture"). Placer CLA owns a 51% participating interest and Kinross owns a 49% participating interest in the Porcupine Joint Venture. The joint venture is managed by Placer CLA. The Porcupine Joint Venture incorporates Placer CLA's Dome mine and mill, Kinross' Hoyle Pond, Pamour and Nighthawk Lake mines and the Bell Creek mill.

THE ASSET EXCHANGE AGREEMENT

Pursuant to the Asset Exchange Agreement which was entered into as a step in implementing the Porcupine Joint Venture, Placer CLA transferred to Kinross an undivided 49% interest in all of Placer's assets owned, used or thereafter acquired by Placer CLA or its affiliates and located within a 100 kilometer radius of Placer CLA's Dome mill in or near Timmins, Ontario (the "Development Area") and used in the gold mining, milling and exploration business and operations carried on by Placer CLA or its affiliates. Kinross in turn transferred to Placer CLA an undivided 51% interest in all of Kinross' assets owned, used or thereafter acquired by Kinross or its affiliates and located within the Development Area and used in the gold mining, milling and exploration business and operations carried on by Kinross or its affiliates. Any interest that Kinross may acquire in and to the project within the Development Area commonly known as the Aquarius Project is excluded from the Porcupine Joint Venture pending agreement between the parties to include it.

Under the Asset Exchange Agreement, Kinross has also transferred all of its contracts relating to its Timmins operations to Placer CLA, and Placer CLA assumed such contracts as manager of the Porcupine Joint Venture for the benefit of both parties and the exclusive use of the Porcupine Joint Venture. Placer CLA's contracts relating to its Timmins operations remain in the name of Placer CLA, which will hold such contracts as manager of the Porcupine Joint Venture for the benefit of both parties and the exclusive use of the Porcupine Joint Venture.

THE PORCUPINE JOINT VENTURE AGREEMENT

In connection with the Asset Exchange Agreement, Kinross and Placer CLA entered into a joint venture agreement. The Porcupine Joint Venture Agreement provides that the purpose of the Porcupine Joint Venture is to engage in operations relating to the mining, milling, exploration and development of the properties subject to the Porcupine Joint Venture, and to perform any other activity necessary, appropriate or incidental to the foregoing.

The term of the Porcupine Joint Venture is from July 1, 2002, and until so long thereafter as ores and mineral resources are produced from the assets forming part of the Porcupine Joint Venture and all reclamation obligations, liabilities or responsibilities under applicable laws or instruments of title relating to operations under the Porcupine Joint Venture have ceased or been satisfied, to a maximum of 99 years, unless the Porcupine Joint Venture is earlier terminated pursuant to the terms of the Porcupine Joint Venture agreement.

Each of Kinross and Placer CLA is obligated to contribute funds from time to time to the Porcupine Joint Venture in proportion to their respective participating interests, pursuant to adopted programs and budgets.

Under the Porcupine Joint Venture a party's participating interest may be reduced upon the election by such party not to contribute to an adopted program and budget for the Porcupine Joint Venture, or in the event of a default by such party in making its agreed upon contribution to an adopted program and budget.

In addition, if a party's participating interest is reduced to less than 10%, the other party may elect that the first party be vested with a 2% net smelter returns royalty on ores and minerals mined from the properties subject to the Porcupine Joint Venture and the first party shall be deemed to have transferred its remaining participating interest to the other party.

PORCUPINE JOINT VENTURE OPERATIONS

The Porcupine Joint Venture operations consist of the Dome underground and open pit mine and mill, the Hoyle Pond underground mine and the Bell Creek mill and tailings storage facility which is presently on care and maintenance with all processing taking place at the Dome mill. In addition, the Porcupine Joint Venture operations consist of a number of former producing mines, most notably the Pamour and Nighthawk Lake mines. The only producing mines forming part of the Porcupine Joint Venture in Timmins at present are the Dome mine and the Hoyle Pond mine.

PROPERTY DESCRIPTION AND LOCATION

HOYLE POND UNDERGROUND MINE AND BELL CREEK MILL

The Hoyle Pond underground mine and mineral claims and the Bell Creek mill are located in Hoyle Township in Timmins, Ontario on 4,065 hectares of patented land, land leased from the province and one private lease. The leases expire at various times from September 2004 to January 2025. Subject to the satisfaction of conditions, the leases can be renewed for additional terms of 10 to 21 years. The private lease is for a term of 20 years and is in good standing until May 31, 2005. There are also two contiguous staked mining claims covering 32 hectares located in Whitney Township south of Hoyle Township.

There are various royalties on the Hoyle Pond underground mine land package. The only royalty requiring payment at present is a tonnage-based royalty on the private lease. Royalty payments were insignificant in 2003 and 2002.

All requisite permits have been obtained for the mining and continued development of the Hoyle Pond underground mine and the Bell Creek mill and are in good standing and the Porcupine Joint Venture is in compliance with Hoyle Pond and Bell Creek permits in all material respects.

DOME MINE AND MILL

The Dome underground and open pit mine and mill are located within the city limits of Timmins, Ontario, on an area that covers over 5,004 hectares of staked and patented mining claims held or under option, including the Preston property that lies to the south and east, immediately adjacent to the Dome property and the Paymaster property that lies to the west of the Dome open pit.

The Dome open-pit and underground mines, claims, mining and surface rights are registered in the name of Placer Dome Canada Limited ("Placer Canada") (51%) and Kinross (49%). The Preston property includes 19 mining claims. The Paymaster property includes 26 contiguous mining claims.

A 2% net smelter royalty is payable on production from the Preston, Paymaster and Vedron properties. No other royalties are payable on the Dome property.

All requisite permits have been obtained for the mining and continued development of the Dome underground and open pit mine and mill and are in good standing; the Porcupine Joint Venture is in compliance with such permits in all material respects.

PAMOUR AND NIGHTHAWK LAKE MINES

The Pamour open pit and Nighthawk Lake underground mines and mineral claims are located in Timmins, Ontario on 7,783 hectares. The Pamour mine is located north of Highway 101 and the Pamour mine site is approximately 19 kilometers east of the downtown core of Timmins and 43 kilometers west of Highway 11. The Pamour mine is also approximately two kilometers south of and contiguous with the Hoyle Pond mine. The Nighthawk Lake mine is approximately 17 kilometers southeast of the Hoyle Pond mine. There has been no production at these mines since their acquisition in 1999.

A Pamour open pit feasibility study was finalized in late 2003 and permitting work was initiated. The necessary permits required to commence mining of the mineral reserves contained in the existing Pamour pit, north of Highway 101, referred to as the phase one mine plan, have been maintained in good standing and require only administrative reactivation. Demolition of the old Pamour headframe and associated infrastructure was completed in preparation for the development of the open pit operations. Saleable production is expected to commence in 2005.

The Porcupine Joint Venture will require additional permit approvals to mine south of Highway 101, which is outside of the phase one mine plan. The government agencies that will be involved in the additional permitting process include the City of Timmins, the Matagami River Conservation Authority, the Ontario Ministries of Northern Development and Mines, Natural Resources, Environment and Transportation, the Federal Department of Fisheries and Oceans and Environment Canada.

The key element in the development of the expanded open pit outside of the phase one mine plan will be the relocation of Highway 101. The proposed relocation will involve constructing a causeway over a portion of a small lake, the Three Nations Lake, and will therefore have a direct effect on a nearby fish habitat. This highway has been relocated several times during the production history of the mine. As a fishery resource will be involved in the project planning, the Canadian Environmental Assessment Act process will be the guiding legislation. Kinross believes there is a high level of assurance that the project will receive all required approvals for development.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Access to the Hoyle Pond mine is via a five kilometer all weather gravel road north of Highway 101. Services are generally acquired from vendors in the Timmins area. Adequate process water is available from the clear water pond at the tailings, while make up water and potable water comes from underground supply.

The existing Dome mill consists of three stages of crushing, rod/ball and primary ball grinding, gravity recovery, cyanide leach, carbon-in-pulp, carbon elution, solution electrowinning and direct smelting. Tailings are pumped to a tailings basin where the solids settle out and a portion of the solution is recycled to the mill. Excess effluent is seasonally treated and discharged.

As part of the Pamour project, the mill will be upgraded in 2004 with the installation of a large rod mill in series with the existing primary ball mill to provide additional grinding capacity for the harder Pamour ores. Three leach tanks will be installed to provide longer leach retention time, and a new carbon elution and regeneration circuit will be installed, together with an upgrade to the process control network. This expansion will allow processing of 11,000 tonnes per day at a 95% mill utilization rate, making the mill more efficient and flexible for processing ores from the Dome, Holye Pond, Pamour, and other orebodies.

Access to the Dome mine is by paved road from the town of South Porcupine, six kilometers east of Timmins on Highway 101. Rail freight service is available from the Falconbridge -- Kidd Creek metallurgical site eight kilometers east of the mine.

The dominant surface material in the Dome mine area is glacial till overlain by glaciolacustrine silts and clays. Mine waste and tailings cover some areas closer to the mine.

The Pamour mine is located two kilometers south of the Hoyle Pond mine and is accessible by an unpaved road. The Nighthawk lake mine is located 17 kilometers southeast of the Hoyle Pond mine and accessible by 10 kilometers of paved roads and seven kilometers of unpaved roads.

The area climate consists of cold winters and hot summers. Temperatures range from below -40 degrees Celsius (-40 degrees Fahrenheit) to above +30 degrees Celsius (+95 degrees Fahrenheit). Mean precipitation is approximately 80 centimeters annually.

The topography of the area is typical of the Canadian Shield and consists of an irregular surface with moderate relief. The topographic highs are the result of bedrock outcrops and are surrounded by low lying areas of poorly drained wetlands. Vegetation includes spruce, pine, poplar and birch trees and various shrubs, grasses and mosses. The elevation ranges from 200 meters to 300 meters.

HISTORY

Land was first staked in the vicinity of the present day Pamour mine in 1910. Limited production was achieved from 1911 to 1914. The property remained idle from 1914 to 1923. Between 1923 and 1935 several mining syndicates carried out exploration work. In 1935 and 1936 the Pamour No. 3 shaft was sunk and a 650 tonnes per day mill was constructed. In 1938 the mill capacity was increased to 1,300 tonnes per day by installing new equipment. During the 1950's mill throughput averaged 1,500 tonnes per day. In 1972, the mill was expanded to treat 2,275 tonnes per day as production from the nearby Aunor mine was processed at the Pamour mill. Open pit mining at the Pamour mine began in 1976 and continued until 1999.

Approximately 4.0 million ounces of gold were produced from the Pamour mine from 1936 to 1997. There has been no production at the Pamour mine since Kinross acquired it in 1999.

The Hoyle Pond discovery hole was drilled by Texas Gulf in 1980. The deposit was explored in 1980 to 1982. The deposit was developed by ramp in 1983 and 1984. The first year of mining in 1985 yielded 64,400 tonnes at an average grade of 13.0 grams per tonnes of gold. The mine has been in continuous production since then and was acquired by Kinross pursuant to the amalgamation with Falconbridge Amalco in 1993. Since 1993, Kinross has conducted exploration programs and underground development has added significant additional mineralization. From 1994 to 1999 Kinross sunk an 815 meter shaft and developed a second ramp to access underground workings. The Bell Creek mill has gone through a series of expansions with current capacity of 1,500 tonnes per day. The head grade for the Hoyle Pond mine is the highest of any of the significant past, or present producing mines in Timmins.

The Dome deposit was discovered in 1909. Operations commenced in 1910, producing 214 ounces of gold. Mining has been continuous at Dome since 1910. In 1984, the mill capacity was increased from 2,000 to 3,000 tonnes per day. Part of the extension included a new vertical shaft, the No. 8 shaft which was sunk from the surface to a depth of 1,667 meters. In 1988, due to a skipping accident, No. 8 shaft was not producing and, therefore, open pit mining was commenced. From 1992 to 1996, Placer CLA produced from the Paymaster property. In 1995, an expansion of the operations, which included an enlarged open pit and an increase in milling capacity, was completed. As a result, full production from the expanded open pit was achieved and mine production increased from a nominal rate of 3,400 tonnes per day in 1994 to 9,100 tonnes per day in 1995. In 1997, the Preston property was purchased and the Dome open pit was expanded into the Preston land holdings. Mining of open pit ore from the Preston property was completed in 2000.

From its beginning in 1909 to December 31, 2003, the Dome mine has produced 15,116,739 ounces of gold, making it the second largest gold producer of the Timmins camp.

GEOLOGY AND MINERALIZATION

REGIONAL

All of the properties comprising the Porcupine Joint Venture lie within the Porcupine Gold Camp (the "PGC"). The PGC, located in the Archean Abitibi greenstone belt, has been the most productive gold-producing field in North America. Total historic production is in excess of 62 million ounces of gold. This production has come from quartz-carbonate lode systems hosted within low temperature metamorphic rocks (greenschist facies). Lodes are found in a corridor up to 10 kilometers wide parallel to the 200 kilometers long Destor Porcupine Fault. At the regional scale, gold deposits are spatially associated with regional fault zones. At the camp scale, gold deposits generally occur within five kilometers of, but not in, the regional faults.

HOYLE POND

The Hoyle Pond Main Zone and 1060 Zone deposits, both of which are in production, occur on opposite limbs of an open, northeast plunging fold-structure (anticline), hosted within sheared and metamorphosed basalts rich in pyroxenes. The 7 Vein system occurs as a series of stacked, flat to gently northeast dipping veins at the nose of the anticline structure. Mineralization occurs as coarse, free gold in white to grey-white quartz veins with variable ankerite, tourmaline, pyrite and local arsenopyrite. Alteration halos are generally narrow, consisting of mainly grey zones (carbon, carbonate, sericite, cubic pyrite) in the Hoyle Pond system, and carbonate-sericite, with fuchsite, pyrite, arsenopyrite and trace chalcopyrite, sphalerite within the 1060 structure.

The Hoyle Pond Main Zone includes a series of generally northeast striking, linked quartz vein zones (at least 11 veins of economic significance) folded on a small scale with moderate west trending and northeast plunging fold axis. The 1060 Zone consists of at least five main vein structures (B1, B2, and B3 Zones, A Zone and Porphyry Zone) with orientations ranging from north to northeast with generally subvertical dips.

PAMOUR MINE

The Pamour mine is located approximately one kilometer north of the Destor Porcupine Fault Zone. Volcanic rocks occupy the area north of the mine and include interlayered mafic to ultramafic units. Sedimentary rocks including greywackes, argillites, and conglomerates are found to the south. Gold mineralization is hosted by both volcanic and sedimentary rocks and related to both individual quartz veins and vein swarms, which trend mainly east-west. Volcanic-hosted ore bodies include shallow north-dipping single vein structures within mafic volcanics, as well as irregular shaped vein swarms along various lithologic contacts within the volcanic sequence. Sedimentary hosted ore bodies include irregular shaped vein swarms along the unconformity as well as narrow, steep south-dipping veins in greywacke further to the south.

NIGHTHAWK LAKE MINE

The Nighthawk Lake mine is located along the Nighthawk Lake Break, a branch fault of the Destor Porcupine Fault Zone. Rocks in the vicinity of the Nighthawk Lake mine consist of mafic to felsic volcanics with intrusions of albitite and syenite. Gold mineralization occurs both within the volcanic rocks and intrusives, and generally shows a close spatial association with strong carbonate alteration, brecciation, quartz veining and pyrite or arsenopyrite. Based on past work, orebodies at the mine have been subdivided into six main zones including the Main Zone, No. 1 Zone, No. 4 Zone, Ramp Zone, "A" Zone and Deadman Island Zone.

DOME MINE

The Dome mine lies on the south limb of the Porcupine syncline in an area where the Archean Metavolcanics are overlain by the metasedimentary rocks.

Gold mineralization is found in a number of different rock types and in association with a number of different structural settings. Mineralization in the district is commonly associated with the northeasterly plunge of the Porcupine syncline.

At the mine site, the local sequence of north dipping metavolcanics and metasedimentary rocks have been folded to form a northeasterly plunging structure, referred to as "Greenstone Nose." Sediments consisting of conglomerates, slates and greywackes are draped around this structure and form the "Sedimentary Trough" on the south side.

Immediately south of the "Sedimentary Trough" lies an east-west striking, highly strained zone in which magnesium rich, carbonatized rock occurs. This highly altered zone corresponds to the trace of the ductile Dome Fault interpreted to represent a branch off the main Destor-Porcupine Fault. To the west, the Dome Fault Zone passes between two major porphyritic intrusive bodies--the Paymaster and the Preston Porphyries. To the east, lenses of porphyry, similar compositionally to the main porphyry bodies, occur within the Dome Fault Zone. To the south of the Dome Fault Zone are the "Southern Greenstones," a south-dipping sequence of basalts consisting of massive and pillowed flows.

Mineralization occurs mainly in association with structurally controlled quartz and quartz-ankerite veins. Principal orebodies can be classified into three main types: Long narrow veins in shear zones parallel to the stratigraphic trend; swarms of en-echelon veins and stockworks of veins; and disseminated mineralization, in which the gold is associated with pyrite and/or pyrrhotite and little or no vein material is present.

At the Paymaster property, historic mining operations extracted ore from ankerite veins in mafic units and quartz veins in porphyry. The majority of mineralization being targeted by current exploration is hosted by carbonated and sulphidic greenstone adjacent to and within flexures in the mafic/ultramafic contact (36 Zone).

EXPLORATION

Kinross' regional exploration within the Timmins camp totaled $2.5 million during 2003. Kinross' share of the planned exploration spending for 2004 is $2.5 million.

DRILLING, SAMPLE AND ANALYSIS, AND SECURITY OF SAMPLES

Kinross collects both exploration and production samples at its operations in Timmins. Samples are collected using industry standard sample collection procedures that are well understood by the geological personnel collecting the samples in the field.

Kinross conducted both surface and underground diamond core drilling operations during 2003. For resource estimation purposes, drilling spacing ranges from a low of 8.0 meters to a high of 25.0 meters. Typically, drill holes are sampled honoring geological contacts while maintaining a standard 1.5 meter sample length wherever possible. Typically the core is not split prior to assay unless the hole is an exploration hole targeting new mineralization.

Underground, sampling is conducted on a daily basis throughout the active working faces. Chip samples, muck samples and sludge samples are collected to provide daily grade control and to reconcile actual production to the estimated reserves. At the Hoyle Pond mine, ore development headings are typically sampled on 2 to 5 meter intervals using both chip samples and muck samples. Production stoping areas are typically sampled at 5 meter intervals wherever practical and stope muck is sampled at a frequency of 1 muck sample for every 20 to 40 tonnes of ore.

At the Dome mine, ore development is sampled at 2 to 3 meter intervals using both chip samples and muck samples. Cut and fill stopes are sampled at a rate of one sample for every 30 tonnes and long-hole and bulk mining zones are sampled at a rate of one sample for every 60 tonnes.

Open pit samples are collected from blasthole cuttings on an approximate 10 meter sample spacing. In ore zones, a single sample is collected from each hole, representing approximately 450 tonnes of ore. In waste, the sample frequency is reduced with one sample collected from every four holes.

Since the inception of the Porcupine Joint Venture until December 31, 2002, samples were analyzed at the Bell Creek lab, the Dome mine lab and at independent assay labs. Prior to the completion of the Porcupine Joint Venture, Kinross' analytical work was carried out at the Bell Creek lab with some exploration samples sent to an independent lab for analysis.

Since December 31, 2002, Kinross' analytical work is completed at the Dome mine lab with the Bell Creek lab placed on care and maintenance. At the Dome mine lab, all gold analyses are completed using conventional fire assay with an AA finish. Samples with visible gold are assayed using either a gravimetric finish or pulp metallic assay. Each assay tray at the Dome mine lab includes at least one standard, one check and one standard. The Dome mine lab processes all surface and underground production and exploration samples. Check assays are completed at the Dome mine lab or at external laboratories. All multi-element analytical work is completed at external laboratories.

MINERAL RESERVE AND RESOURCE ESTIMATES

The following table sets forth the estimated proven and probable reserves for Kinross' 49% interest in the Porcupine Joint Venture as at December 31, 2003, and 2002:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			2002 GOLD U.S PER	
	TONNES (000'S)	AVERAGE GRADE (GPT)	GOLD CONTENT (000'S OZ)	TONNES (000'S)	AV G (
Proven(1)	9,129	1.39	409	7,995	1
Probable	18,033	1.86	1,080	20,855	1
Total	27,162	1.70	1,489	28,850	1

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(1) Includes 6,553,000 tons of stockpiled material at December 31, 2003, with an average grade of 0.96 gpt or 202,000 ounces of proven reserves.

In addition to proven and probable reserves, as at December 31, 2003, the Porcupine Joint Venture has an estimated 0.58 million tonnes of measured and indicated resources at an average grade of 0.74 grams of gold per tonne at an assumed gold price of U.S. $350 per ounce. UNITED STATES INVESTORS ARE ADVISED THAT THE TERMS "MEASURED RESOURCES" AND "INDICATED RESOURCES" ARE RECOGNIZED BY CANADIAN REGULATIONS BUT NOT BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

MINING AND MILLING OPERATIONS

The Hoyle Pond operations consist of an underground mine serviced by two declines and one shaft. The underground operations are comprised of 17 main levels, with the shallowest at 40 meters below surface and the deepest at 720 meters below surface. The Hoyle Pond ramp extends down to the 280 meter level and services the Hoyle Pond and seven vein zones. The 1060 ramp, which services the 1060 Zone, extends to the 900 meter level. Total production (ore and waste) is transported to the loading pocket by means of an ore/waste pass system and hoisted to surface in 6.5 tonne skips. The surface infrastructure consists of administration buildings, maintenance, compressed air, paste fill plant, and hoisting facilities.

The mineralized zones at Hoyle Pond are narrow high-grade veins, dipping from 30 to 90 degrees. Mining methods used are cut and fill, shrinkage, panel and long-hole methods. The percentage of ore production by mining method for 2003 is 34% long-hole, 31% cut and fill, and 23% shrinkage. The balance of production is made up by other development such as drifting (7%) and raising (2%).

The mining of the Hoyle Pond crown pillar will require significant infrastructure including the installation of circular steel sheet pile cells, steel sheet pile walls, and dams to isolate the adjacent Falconbridge tailings management area, berms to separate the pit from the Hoyle Pond complex, relocation of the Hoyle Pond mine water settling ponds, relocation of the tailings management area utility and access road, and installation of underground bulkheads to isolate the Hoyle Pond underground workings from the pit. The Hoyle Pond crown pillar will be mined by conventional open-pit methods in 2004.

The Dome underground mine had its final year of full production in 2003 after 93 years of operation that began in 1910. Attempts to extend the mine life are being evaluated with on-going exploration of areas within and peripheral to the mine.

The Dome open pit is being mined in three stages. Development of the final stage commenced in the summer of 1998. Mining is conducted using conventional open pit mining methods. All mining is carried out on 9.1 meter benches. Pit wall inter-ramp angles vary but average 52 degrees. Haulage ramp gradients are set to 10%. Conventional open pit mining equipment is used. The mining fleet includes diesel powered drills, electric cable shovels, 136 tonne haulage trucks, front-end loaders, dozers and support equipment.

Reserve estimates for the open pit include allowances for the presence of mined-out underground workings. Open pit mining costs reflect the specialized drilling, blasting and backfilling that is required to ensure that open pit mining can proceed safely through these underground workings. Overburden encountered in the upper portions of the open pit is stockpiled for use in reclamation. Rock dumps are contoured and re-vegetated on an ongoing basis as part of normal open pit operations. Open pit mineral reserves are scheduled to be depleted in 2004. Stockpiled ore is expected to sustain mill operations until 2007.

The Pamour mine and mill are currently shutdown. The Pamour open pit feasibility study was completed in 2003 and permitting work initiated. Demolition of existing infrastructure at Pamour that will not be used in the new mining operations has been completed. Construction of the haul road and major infrastructure will be completed during 2004 and 2005. Stripping will begin in late 2004 and full-scale ore mining will be achieved in 2005. Mining will be by a conventional open pit method. Much of the equipment required for the Pamour operation will be relocated from the Dome open pit. The initial capital costs include the cost of equipment not available from the Dome operation as well as rebuild costs of some of the older units.

Ore from the Hoyle Pond mine was historically (prior to the Porcupine Joint Venture) milled at the nearby Bell Creek mill, which is also owned by Kinross (and is part of the Porcupine Joint Venture). Bell Creek is currently under care and maintenance, and all ore mined at Hoyle Pond is transported via over-the-road trucks to the Dome mill. Currently there is no plan to reactivate the Bell Creek mill.

All ore mined by the Porcupine Joint Venture is milled at the Dome mill. Currently, the Dome mine and the Hoyle Pond mine provide feed to this mill. In the future, the mill will be expanded to also accommodate production from the Pamour mine, which is slated for production in 2005.

Gold is recovered at the Dome mill using a combination of gravity concentration and cyanidation techniques. The flowsheet consists of primary crushing, secondary crushing, rod/ball mill grinding, gravity concentration, cyanide leaching, carbon-in-pulp gold recovery, stripping, electrowinning and refining. The mill has a capacity of 12,000 tonnes per day and currently processes over 11,500 tonnes of ore per day.

Kinross' share of the net present value of future cash outflows for site restoration costs at the Porcupine Joint Venture under CICA Handbook section 3063, which is effective for fiscal years beginning January 1, 2004, are estimated to be $9.9 million at December 31, 2003. Kinross has posted letters of credit totaling $3.2 million for site restoration obligations with the provincial government in connection with its share of closure obligations.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 49% ownership interest in the Porcupine Joint Venture for year ended December 31, 2003, and the six months ended December 31, 2002. Results prior to June 30, 2002, pertain to the 100% owned Hoyle Pond mine:

YEARS E

	2003
SELECTED PRODUCTION AND OPERATING INFORMATION:	
Tonnes mined (000's)(1)	33,995.0
Tonnes of ore processed (000's)(1)	4,130.0
Gold grade (gpt)	3.73
Average gold recovery (%)	92
Gold equivalent production(3)	223,960
Number of employees(2)	773
SELECTED FINANCIAL INFORMATION (IN MILLIONS EXCEPT UNIT COSTS)(III):	
Revenue	$ 83.0
Cost of production	47.4
Inventory change/other	1.5
Site restoration cost accruals	1.6
Depreciation, depletion and amortization	24.1
Care and maintenance	2.9
Exploration	2.5
	80.0
Net earnings (loss)	$ 3.0
OTHER FINANCIAL INFORMATION:	
Capital expenditures (millions)(3)	$ 8.3
Unit costs:	
Total cash costs per gold equivalent ounce produced	$ 211
Total cash costs per tonne milled	$ 23
Total production cost per gold equivalent ounce	$ 326

(1) Tonnes mined and ore processed includes 100% of mine production.

(2) Number of employees includes all employees and contractors on site.

(3) 2003 and 2002 gold equivalent production, selected financial information and capital expenditures are 49% of the results of the Porcupine Joint Venture commencing July 1, 2002. Prior results are 100% interest in the Hoyle Pond Mine.

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measure, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statements of Operation," above.

For further information on the 2003, 2002, and 2001, results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--Porcupine Joint Venture (49% interest, Placer Dome 51%, operator), Canada."

PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

The proven and probable reserves are sufficient for ten years of production. There is significant potential for additional reserves and resources in the current property position controlled by the joint venture. Permitting activities on the Pamour mine are underway.

Kinross' share of capital expenditures at the Porcupine Joint Venture operations in 2003 were $8.3 million compared to $6.7 million during 2002. The capital expenditures for 2003 included expenditures on the tailings dam lift and the development of the Pamour project. The majority of the increase in capital expenditures in 2003 was due to the advancement of the Pamour project. Capital expenditures in 2004 are planned to be $28.7 million for Kinross' share of the Pamour project and Hoyle Pond development.

PORCUPINE JOINT VENTURE PROPERTY POSITION

[PICTURE]

KUBAKA MINE, RUSSIAN FEDERATION

Kinross owns a 98.1% interest in the Omolon Gold Mining, Inc. ("Omolon"), a Russian joint stock company. Omolon is operated under a contractual agreement whereby a wholly-owned subsidiary of Kinross, Kinam Magadon Gold Corporation, is the operator and manager. The major assets of the joint stock company are the Kubaka mine and the Birkachan exploration project located in the Russian Far East. The majority of Kinross' prior 54.7% ownership interest in the Kubaka mine was acquired in connection with the acquisition of Kinam on June 1, 1998.

On December 3, 2002, Kinross entered into purchase agreements with four of the five Russian shareholders of Omolon. The four shareholders agreed to tender their shares in Omolon and Omolon agreed to pay $44.7 million, including certain transaction costs, for these shares. These transactions closed as at February 28, 2003, increasing Kinross' interest in Omolon to 98.1% from 54.7%.

PROPERTY DESCRIPTION AND LOCATION

The Kubaka open pit mine, infrastructure and mining concession covers approximately 897 hectares located 320 kilometers south of the Arctic Circle and 938 kilometers northeast of the major port city of Magadan. The Kubaka pit operated for six years from 1997 to 2002, producing slightly more than 430,000 ounces of gold annually.

Currently, the Kubaka Project consists of mineralized stockpiles and two small underground projects. The stockpiles, the Kubaka underground mining operations, and the Tsokol deposit are located on the original land allotment for the Kubaka project.

Omolon holds the license from the Russian government to operate the Kubaka mine (the "Kubaka License"). The Kubaka License terminates in 2011, subject to extension of up to an additional two years. The Kubaka License establishes certain production requirements for the Kubaka mine and requires the payment of a 3% royalty on the total value of the gold extracted. In 2003, the Kubaka mine was subject to total royalty and production based taxes of 6.0%. Kinross' proportionate share of royalties and production based taxes were $4.8 million in 2003.

The Birkachan exploration project covers approximately 515 hectares and is located 28 kilometers north of the Kubaka operations. The Birkachan project is not included in the Kubaka land allotment. A separate license has been granted to Omolon allowing exploration and mining activities on the Birkachan project. Initial production at the Birkachan project has commenced and is expected to continue through 2005.

All requisite permits have been obtained for the mining and continued operation of the Kubaka open pit mine and Birkachan and are in good standing. Kinross is in compliance with the Kubaka and Birkachan permits in all material respects.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Access to the Kubaka mine is by air from Magadan or by a 362-kilometer winter road from Omsukchan, and a 576-kilometer all weather road from Magadan to Omsukchan. The winter road is generally open from mid-December until April and is primarily used to ship the materials and supplies necessary for the next year's production.

The Birkachan project is located 28-kilometers north of the Kubaka project site. Winter access to the Birkachan project is by two routes; a 53 kilometer exploration trail from the Omolon winter road, or an alternate 45 kilometer route which has ecological sensitivities along the river but is far superior especially for heavier equipment. Helicopter access is required during spring thaw, fall freeze-up and summer high water periods. During the dryer periods in the summer months, access to the site is by 4 x 4 vehicles.

The climate at Kubaka is characterized by long cold winters, lasting six months or more. Summers vary between rainy and cool to very warm and dry. Snow has fallen in all 12 months of the year. The mine operates in Arctic conditions. Daylight varies from four to 20 hours per day. Temperatures range from below -52 degrees Celsius (-60 degrees Fahrenheit) to above 32 degrees Celsius (90 degrees Fahrenheit). Mean precipitation is approximately 40 centimeters annually.

The area is mountainous with some rugged topography. The slopes have gentle concavity with a steepness of between 10 and 30 degrees. The site is situated in permafrost. The natural vegetation at the site consists of moss, low shrubs and small larch trees. In the valley bottom the ground surface is hummocky and grass covered. The elevation ranges from 500 to 932 meters.

Water utilized in the mill for processing the ore is obtained from four sources: fresh water from a well 650 meters south of the mill complex, fresh water from the Dukat tailings dam immediately south of the mill, reclaimed water from the tailings dam facility, and waste water from the sewage treatment plant.

Electrical power at Kubaka is generated at site with seven 3516 Caterpillar diesel generators, each producing 1,500 kilowatts. Generally, four of the generators are utilized in the summer and five in the winter, providing power for the crusher and mill complex, office, and maintenance shop. Three G72M diesel generators, each producing 800 kilowatts, provide power for the man camp. Typically only one of these is utilized at any time, with two on standby.

HISTORY

The Kubaka Deposit was discovered in 1979 during a geological survey conducted by the Russian State Geological Exploratory Expedition. While conducting a group geological survey between 1983 and 1987, preliminary data on the parameters and morphology of the orebodies and on the scales of mineralization was obtained. Between 1986 and 1992, the Central Ore Zone and Northern Ore Zones were explored in detail and confirmed the economic merit of developing the project.

In 1987, a small open pit was operated with the ore being processed at the Karamken and Omsukchan processing plants. In 1992, an 80,000 tonne per year pilot process plant was constructed at the site and utilized a gravity/flotation process.

In 1992, the comprehensive ore reserves of the Northern Ore Zones passed State approval of reserves and were transferred to the Evensk stock society for industrial development. Ore recovery began in 1993, with the ore processed at the Karamken processing plant.

In 1992, ore reserves for the Kubaka Deposit were calculated and passed State approval on July 19, 1993. In 1993, bidding was opened for commercial development rights to the mineral resources of the Kubaka and Evenskoye deposits. Omolon, a joint stock organization including five Russian partners and Cyprus Amax won the bid and was issued the mining license for the Kubaka deposit.

Construction of the mine and milling complex commenced in 1994 and was completed at a total capital cost of approximately $242 million. This amount included certain financing costs, working capital and approximately $14 million in capitalized interest. Commercial production was achieved at Kubaka on June 1, 1997. The mine and mill have continued operations since then except for a short period in September 1998.

GEOLOGY AND MINERALIZATION

The Kubaka gold deposit is located in an area of highly weathered Paleozoic volcanic rocks resting on a Precambrian crystalline basement. The Kubaka ore deposit is an epithermal quartz-adularia vein system hosted by volcanic rocks and their sedimentary derivatives. Kubaka is older than, but otherwise very similar to, volcanic hosted epithermal gold deposits found in the North American Western Cordillera.

The ore body is located in a caldera represented by a crest like depression about 2.5 kilometers in width and 4.2 kilometers in length. The strata are complex and consist of sedimentary tuffs from the mid to late Devonian in age. Tuffs and sandy tuff units are the main traps for the gold mineralization. These are a few meters to tens of meters thick. The gold bearing fluids utilized the ignimbrites for conduits and are 40 to 60 meters thick.

The mineralization at Kubaka extends over a strike length of 3.5 kilometers with the underground mining operation having a strike length of 2 kilometers. The Birkachan project has a strike length of 2.5 kilometers and is open along strike both to the northeast and the southwest.

Commercial grade mineralization is found in three steeply dipping veins: North, Central, and Zokol. The main Kubaka vein is steeply dipping and outcrops at the surface. The vein consists of massive to finely banded quartz. Gold and silver (electrum and other minerals) occurs in quartz. The gold to silver ratio is approximately one to one.

EXPLORATION

Kinross will focus its exploration activities to identify resources that can be quickly converted into reserves and provide mill feed for the Kubaka processing plant in 2004. Exploration expenditures in 2003 were $1.3 million. Planned exploration expenditures in 2004 are $2.5 million.

DRILLING, SAMPLE AND ANALYSIS AND SECURITY OF SAMPLES

The project area has been explored using reverse circulation and diamond core drilling, with the majority being diamond core drilling. The resource at Kubaka has been drilled on 20-meter sections, and in areas of complex geology or high grade, drill density is increased to 10-meter sections. The majority of the diamond drill holes are drilled at right angles to the vein (typically dipping 70 to 75 degrees). All of the exploration and reverse circulation infill data is included in the geologic model.

Sample recovery for all the sampling methods is high. Very little water has been encountered in both the diamond drilling and reverse circulation drilling.

Samples are delivered to the assay department under direct control of the geology department. All information is checked and verified by the geological staff prior to entry into the geological database that is used to create the resource models.

The local geologists and the technical services departments of Kinross have developed the geological models. The reconciliation of the Kubaka geology models with mining to date indicates a good correlation between the resource model and production.

Drill and other exploration samples collected for use for geological modeling and resource estimation are under the direct supervision of the geological department and delivered to the assay laboratory under secure conditions. 10% to 15% of all samples are resubmitted to the site laboratory as check samples. This includes all exploration, infill, and production samples. Also, check samples are sent to labs in the United States, Canada, and Irkutsk.

Over the last four years systematic but wide spaced exploration drilling at the Birkachan gold prospect has partially identified a mineral deposit with narrow high grade structures. Detailed drilling in the central Mezinitz valley has outlined several near surface subparallel zones with potential for an open pit. The low-grade mineralized zone hosting the higher-grade structures remains open in two directions and the overall potential to expand the resource appears to be good.

MINERAL RESERVE ESTIMATES

The following table sets forth the estimated proven and probable reserves for the Kubaka mine as at December 31, 2003, and 2002, and represents Kinross' 98.1% interest at December 31, 2003 and its 54.7% at December 31,2002:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			200 GOLD U.S. OUN	
	TONNES	AVERAGE GRADE	GOLD CONTENT	TONNES	AV G
	(000'S)	(GPT)	(000'S OZ)	(000'S)	(
Proven(2)	903	3.92	114	920	
Probable	720	12.80	296	33	
Total	1,623	7.86	410	953	

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(1) Reflects Kinross' 54.7% interest at December 31, 2002.

(2) Includes 857,000 tonnes of stockpiled material at December 31, 2003, with an average grade of 2.80 gpt or 78,000 ounces of proven gold reserves and 857,000 tonnes of stockpiled material at December 31, 2003, with an average grade of 10 gpt or 275,000 ounces of proven silver reserves.

As at December 31, 2003, the Kubaka deposit did not host any measured and indicated resources at an assumed gold price of U.S. $350 per ounce.

MINING AND MILLING OPERATIONS

Open pit mining ended in October 2002. Kinross commenced processing the low-grade stockpiles and, during 2003, supplemented this with underground ore from the North High Wall, Center Zone, and North Vein.

The underground projects represent extensions of the Kubaka ore zone that could not be recovered through open pit mining. They will be mined with conventional shrinkage and long-hole mining methods. These three underground mining areas have ore mining widths ranging from one meter to six meters and contain grades in excess of 10 grams per tonne.

The Center Zone is located in the bottom of the pit and is accessed with a spiral ramp. The ore is mined with a long-hole mining method. The North Vein is accessed from an existing drift and is mined utilizing a shrink stoping method. The North High Wall underground mining operation was completed in the first quarter of 2004.

The mineralized stockpiles will be depleted in the first quarter 2005. The Kubaka underground operations (the Central Zone, and the North Vein), will be exhausted by December 2004.

The mineralized stockpiles are located varying distances from the crusher yard. Slightly less than half the mill feed for 2004 will come from stockpile 6, located 1.1 kilometers from the crusher yard. The remaining feed derived from stockpiles is located 1.9 kilometers from the crusher yard, in stockpile 3. Both of these stockpiles will be transported to the crusher yard with existing equipment at site. The stockpiles are frozen and require blasting to loosen the material for processing.

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The Birkachan deposit is located 28 kilometers north of the Kubaka mill. It was discovered by drilling in 1999 as follow-up to regional stream sediment and soil geochemistry surveys. It forms a complex of epithermal veins and veinlet swarms in faulted Devonian volcanics similar to Kubaka. The surrounding alteration and low grade mineralization can be traced for almost 3 kilometers along the axis of the Mezinitz valley. To date, six different veins or zones have been identified in over 80,000 meters of diamond drilling. Vein 5 and zone 4 have been drilled on 50 meter centers and, locally, 25 meter centers. This mineralization is exploitable by open pit mining methods and contains an estimated 299,000 tonnes of 10.70 grams per tonne gold in the probable reserve category. Preliminary metallurgical testwork indicates the gold is recoverable in the Kubaka mill circuit.

Kinross is conducting further drilling and exploration activities in order to determine whether or not additional mineralization exists that could be exploited by an underground mine.

To date, a 70 person camp, a maintenance shop, and a fuel and explosive storage have been set up on site. Prestripping has started and it is expected that stockpiling of ore will commence in the spring of 2004. Test pitting and environmental permits have been received.

Open pit operations are expected to continue for 12 - 15 months after which an underground access ramp is being planned. Trade-off studies to review lower grade cutoffs to potentially expand the pit resource are underway.

The processing facility at Kubaka is a standard carbon-in-pulp milling process. The mill processes ore on a 24 hour per day, 365 day per year schedule. The stockpiled ore is loaded into and crushed in the jaw crusher and conveyed to a crushed ore stockpile. The crushed ore is reclaimed and ground in a semi-autogenous grinding mill followed by a ball mill. The ground ore is thickened, and then leached in a cyanidation circuit. The grind thickener overflow flows through a carbon column circuit to recover any gold leached in the grinding circuit. The cyanidation circuit has four stages of leaching, followed by a six stage carbon-in-pulp circuit. The loaded carbon from the carbon circuits is stripped of the gold and silver in a pressure stripping circuit. Gold and silver are then recovered in electrowinning cells and smelted to produce dore bullion. As at December 31, 2003, the mill had processed 882,800 tonnes resulting in 164,006 recovered gold ounces.

The Kubaka operations maintain the highest standards of environmental compliance and monitoring. An environmental engineer supported by staff in the Magadan office and in the Kinross Corporate Environmental Department, conducts various daily, weekly, and monthly monitoring activities in and around the project site to assure environmental compliance.

Reclamation activities started in the second year of production, 1998. Areas are actively reclaimed and seeded as mining progresses. Through 2003, 60 hectares had been fully reclaimed and an additional 51.4 hectares have been partially reclaimed (top soil is placed, but it has not been seeded). In 2004, the plan is to fully reclaim an additional 30 hectares. The net present value of future cash outflows for site restoration costs at the Kubaka mine under CICA Handbook section 3063, which is effective for fiscal years beginning January 1, 2004, are estimated to be $5.2 million at December 31, 2003. There is no requirement to post financial assurance in Russian currently.

The underground project returns an operating profit over the duration of the project life.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 98.1% ownership interest (net of non-controlling interest) in the Kubaka mine for the 10 months ended December 31, 2003. Prior to February 28, 2003, Kinross owned 54.7% of the Kubaka mine.

	YEARS ENDED DECE	
	2003	2002
SELECTED PRODUCTION AND OPERATING INFORMATION		
Tonnes mined (000's)(1)	141.4	6,227.5
Tonnes of ore processed (000's)(1)	882.8	849.9
Gold grade (gpt)	6.42	14.93
Average gold recovery (%)	97	98
Gold equivalent production(3)	164,006	220,972
Number of employees(2)	451	374
SELECTED FINANCIAL INFORMATION (IN MILLIONS EXCEPT UNIT COSTS):(4)		
Revenue	$ 61.0	$ 71.5
Cost of production	32.0	29.3
Inventory change/other	(1.9)	(1.5
Site restoration cost accruals	0.5	0.8
Depreciation, depletion and amortization	16.7	20.1
Interest	0.2	0.3
Foreign exchange gain	(0.8)	--
Exploration	1.3	1.2

	48.0	50.2
Earnings before taxes	13.0	21.3
Income and mining taxes	3.6	6.2
Non-controlling interest	0.2	--
Net earnings	$ 9.2	$ 15.1

OTHER FINANCIAL INFORMATION:

Capital expenditures (millions)(4)	$ 1.7	$ 0.1
Unit costs:		
Total cash costs per gold equivalent ounce produced	$ 194	$ 133
Total cash costs per tonne milled	$ 43	$ 63
Total production cost per gold equivalent ounce	$ 300	$ 227

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(1) Tonnes mined and ore processed includes 100% of mine production.

(2) Number of employees includes all employees and contractors on site.

(3) Gold equivalent production is 98.1% of mine production for the 10 months ended December 31, 2003, and 54.7% of mine production for the periods prior to February 28, 2003.

(4) Selected financial information and capital expenditures are 100% of the results of the Kubaka mine commencing March 1, 2003. Prior results are 54.7% of the Kubaka mine.

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measures, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

For further information on the 2003, 2002, and 2001, results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--Kubaka (98.1% ownership and operator), Russia."

PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

It is anticipated that the production attributable to Kinross' 98.1% interest in Kubaka during 2004 will be 132,042 gold equivalent ounces, with a total cost per ton of $69, at an estimated mill recovery of 96%. Total estimated production over the remaining life of mine, extending into 2009, is 423,000 of gold equivalent ounces.

Kinross' share of capital expenditures at the Kubaka operations in 2003 was $1.7 million compared to $0.1 million during 2002. The majority of the increase in capital expenditures in 2003 was due to equipment purchases for underground mining. Kinross plans to spend $11.2 million in 2004 on capital expenditures, principally to develop the Birkachan test pit and commence underground exploration and development of the Tsokol vein.

KUBAKA SITE PLAN

[PICTURE]

LA COIPA MINE

Kinross owns a 50% interest in the La Coipa mine through a joint venture with Placer Dome. Placer Dome is the operator of the mine. Kinross acquired the La Coipa mine in connection with its acquisition of TVX in January 2003.

PROPERTY DESCRIPTION AND LOCATION

The La Coipa mine is located in the Atacama Region of northern Chile, approximately 1,000 kilometers north of Santiago and 140 kilometers northwest of the community of Copiapo, Chile. The mine is operated by a Chilean contractual company, Compania Minera Mantos de Oro ("MDO"), a joint venture between a wholly-owned subsidiary of Placer Dome (50%) and Kinross (50%). There are three known deposits remaining within the government-approved La Coipa mining area: Coipa Norte and Brecha Norte are currently being mined by open pit methods, and Can-Can is planned for exploitation beginning in 2005. MDO is actively exploring in the district.

The La Coipa mine consists of approximately 7,500 hectares of mineral claims, of which the principal ones are Indagua, Marta, Escondida, Candelaria, Eduardo, and Chimberos.

MDO has obtained a series of permits that allow exploration and mining activities to proceed in the La Coipa area. No other permits need to be obtained. MDO's land position includes 57 exploitation concessions covering 14,827 hectares and 38 exploration permits covering 6,600 hectares.

The exploration permits are valid for a two-year period from the date they are declared in force and can be renewed once for another two-year period. Thereafter the size of the exploration permit area must be reduced by half. MDO can elect to apply for mining concessions in areas where exploration concessions are held.

The exploitation or mining concessions can be held indefinitely as long as the annual fees are paid to keep the permits in good standing. The exploitation permits covering the La Coipa area give MDO the right to extract the ore and to sell the final products into the open market.

The corporate income tax rate is forecast at 17% in 2004 and subsequent years. Depreciation and amortization of capital costs is allowed as a deduction in the calculation of taxable income. Corporate taxes are estimated at $1.9 million in 2004 with respect to Kinross' interest. An annual fee of $55,000 is also assessed to maintain the mining claims in good standing.

No royalties are applicable on gold and silver produced from the mine, but an annual preferred dividend of $1.8 million is payable. The joint venture partners receive disbursements from the operation via common dividends from MDO. A 35% withholding tax is applicable on all dividends disbursed to foreign shareholders, less the corporate income tax already paid.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

The La Coipa mine is located approximately 1,000 kilometers north of Santiago in Copiapo Province in the Atacama Region of the Chilean Andes. Access is by a 140 kilometer road of which 30 kilometers are paved, from the regional center of Copiapo, which is served daily by commercial airline from Santiago. The nearest port, Caldera is 80 kilometers west of Copiapo. The mine is connected to the national power grid system.

The mine lies in the Domeyko Cordillera at an elevation of between 3,800 and 4,400 meters, the plant site being at 3,815 meters. Current and future mining operations are at elevations ranging from 4,040 meters to 4,390 meters.

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The climate is considered pre-arid Mediterranean, subject to low temperatures, strong winds and some snow during the winter. Despite the adverse climate, mining operations are performed year-round without interruption. Temperatures range from a high of 25 degrees Celsius (77 degrees Fahrenheit) to a low of -10 degrees Celsius (14 degrees Fahrenheit). Water is scarce in the area, but the Salar de Mericunga provides sufficient water to fulfill industrial needs through an approximately 40 kilometer pipeline. Vegetation is sparse.

HISTORY

The earliest written information about La Coipa as a precious metal prospect dates back almost a century, when a small underground copper-silver mine was in operation about 2 kilometers southeast of the present day operations. Regional resources have been sporadically exploited since then, but the La Coipa area itself did not receive any attention from exploration geologists until the late 1970s.

TVX acquired an initial indirect 49% interest in the La Coipa mine in June 1988 from companies controlled by Eike Batista, Roberto Hagemann Gerstmann and Jozsef Ambrus, which at the time held the remaining 51% interest. Pursuant to the La Coipa acquisition agreement dated January 25, 1989, Placer Dome acquired a 50% indirect interest in the La Coipa mine from both TVX and companies controlled by Messrs. Batista, Gerstmann and Ambrus, pro rata as to their respective interests in the La Coipa mine. The La Coipa acquisition agreement also provided for the future operation of the La Coipa mine and the respective responsibilities of the joint venture parties. As a result of this transaction, TVX's indirect interest in the La Coipa mine was reduced to 24.5% and the indirect interests of Messrs. Batista, Gerstmann and Ambrus was reduced to 25.5%. Between 1989 and 1994, TVX increased its ownership in the La Coipa mine to 50%.

Kinross acquired TVX's ownership in La Coipa on January 31, 2003, on completion of the business combination of Kinross, TVX, and Echo Bay.

GEOLOGY AND MINERALIZATION

The La Coipa mine is located in the northern Chilean volcanic belt known as the Maricunga belt. It hosts a series of deposits of economic interest, including Esperanza, Lobo-Marte, El Hueso, and La Pepa.

The La Coipa and surrounding deposits form part of a precious metal epithermal system. Three main mineralized zones are found at La Coipa. They are Ladera-Farellon and Coipa Norte, about three kilometers apart, and the Chimberos deposit approximately 25 kilometers northeast of the 15,000 tonnes per day plant.

The eastern portion of Coipa Norte and Ladera-Farellon show high gold grades associated with advanced argillic alteration (alunite -- kaolinite -- dickite, quartz) semi-tabular forms and ore hosted mainly in the triassic-sedimentary rocks. Ladera-Farellon and western Coipa Norte have high silver-to-gold ratios, mushroom-like shapes and are hosted in the tertiary pyroclastic unit.

The most common precious metal-bearing minerals are cerargyrite, several other silver halide complexes, native silver, electrum and native gold as free particles in the size range of 0.5 to 50 microns. Mercury is common in all the deposits and occurs as calomel.

All the known reserves at La Coipa are found in oxidized zones. Both Ladera-Farellon and the silver orebody in Coipa Norte are located in the western and upper portions of the mineralized zones. At Coipa Norte, the silver orebody outcrops are closely associated with pervasively silicified rocks. The presence of bedded outflow material and geyserites suggest that this area has not been subjected to significant erosion.

EXPLORATION

Exploration work in the La Coipa district started in the late 1800s and has been ongoing since, although the property ownership has changed a number of times. Modern exploration techniques have been implemented starting in the late 1970s to early 1980s. They included geological mapping, geochemistry, channel sampling, drilling and 800 meters of underground development.

Kinross' share of exploration expenditures totaled $0.9 million during 2003. Kinross' share of the planned exploration spending for 2004 is $0.8 million.

DRILLING, SAMPLE AND ANALYSIS AND SECURITY OF SAMPLES

Various drilling methods and sampling protocols have been used at La Coipa. Diamond drill holes completed during the exploration phase were systematically sampled in 2 meter intervals. Half the core was sent for assaying and the other half stored in a warehouse near the camp. Reverse circulation holes for both exploration and in-pit drilling are sampled in 2 meter long "runs." All drill chips are also stored in the same location as the core.

Since 1984, a total of 97,225 meters in 2,002 holes has been completed in the La Coipa mining area. Most of the exploration drilling was completed with reverse circulation holes. All exploration holes are surveyed by the mining surveyors. These holes have also been down-hole surveyed at about 20 meter intervals. Most of the exploration holes are inclined holes.

Drill core is delivered to the exploration storage building located by the camp at the mine complex. A geologist completes a written log for the hole that includes geological and geotechnical information. The geological data include identification of specific geological formations, color, alterations, presence and visual estimate of sulphide and oxide minerals, nature of fracture filling and a detailed geological description of the core that includes textural and lithologic characteristics, contact styles and mineralization. Geotechnical data are also recorded. Structures are described with measurements to determine top, bottom, orientations and dip angles.

Standards are inserted by the mine laboratory. Duplicate analyses are done from time to time at independent labs, including pulp duplicates of selected samples.

The lab carefully monitors MDO's performance in all aspects of sample preparation and assaying for exploration activities, the mine, the plant and the refinery. Analyses are performed at the mine laboratory, with some exploration samples sent to an outside laboratory. The La Coipa lab performs numerous control checks when the drill or blast hole samples are received for preparation and analysis. The lab department uses a set of quality assurance and quality control protocols to monitor its own performance.

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MINERAL RESERVES AND RESOURCE ESTIMATES

The following table sets forth the estimated proven and probable reserves for the La Coipa mine as at December 31, 2003, and 2002, and represents Kinross' 50% interest:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			2 GO U.
	TONNES (MILLIONS)	GOLD GRADE (GPT)	SILVER GRADE (GPT)	TONNES (MILLIONS)
Proven(1)	11.4	1.20	69.5	14.0
Probable	4.3	1.04	89.5	3.8
Total	15.7	1.16	75.0	17.8

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)		2002 (AT A GOLD PRICE OF U.S. $300 PER OUNCE)	
	GOLD CONTENT (000'S OZ)	SILVER CONTENT (000'S OZ)	GOLD CONTENT (000'S OZ)	SILVER CONTENT (000'S OZ)
Proven	440	25,384	518	26,295
Probable	145	12,454	127	5,743
Total	584	37,837	645	32,038

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(1) Includes 3,813,000 tonnes stockpiled at December 31, 2003, with an average grade of 2.80 gpt or 89,000 ounces of proven gold reserves and 3,813,000 tonnes stockpiled with an average grade of 47.2 gpt or 5,787,000 ounces of proven silver reserves.

In addition to proven and probable reserves, as at December 31, 2003, the La Coipa mine has an estimated 0.353 million tonnes of measured and indicated resources at an average grade of 0.57 grams of gold per tonne and 34.8 grams of silver per tonne at a gold price of U.S. $350 per ounce and a silver price of U.S. $4.75 per ounce. UNITED STATES INVESTORS ARE ADVISED THAT THE TERMS "MEASURED RESOURCES" AND "INDICATED RESOURCES" ARE RECOGNIZED BY CANADIAN REGULATIONS BUT NOT BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

MINING AND PROCESSING

The La Coipa mine currently operates two conventional open pits: Coipa Norte, and Brecha Norte. A third pit, Can-Can, is scheduled to commence in 2005.

The current pits are mined on 10 meter benches with the final highwall developed in a double-bench configuration.

The decision was made during 1997 to develop the Chimberos high-grade silver deposit and work commenced in the fourth quarter of 1997. Milling of the Chimberos ore commenced in July, 1998 and was completed in August, 1999. Following the completion of the milling of the Chimberos ore in August, 1999, production came from the reserves at La Coipa. In 2001, production from the Ladera-Farellon open pit ceased and mining activities focused on the Coipa Norte open pit which is to provide the majority of mill feed until 2007.

In the milling process, ore is crushed, then ground in a circuit incorporating a semi-autogenous mill with a pebble crusher and two ball mills. A new crushing system installed in October, 1999 allows throughput of up to 17,000 tonnes per day. The ground ore is leached, then filtered and washed to separate out the tailings, and the solution is passed through a Merrill-Crowe plant. The precipitate is then sent to the refinery.

Process plant gold and silver recoveries are forecast at approximately 80% and 60%, respectively. This compares to actual average recovery of 82.8% for gold and 63% for silver over the past three years.

Water and power supplies are critical infrastructure aspects of the La

Coipa mine. Water requirements for the 15,000 tonnes per day plant are 100 liters per second and are obtained from underground springs which feed the Salar de Maricunga, a saltwater lake 38 kilometers from the mine site. The water is pumped via a pipeline built by MDO from the springs to the plant site. Power for the 15,000 tonnes per day plant is supplied by the National Power grid from a tie-in approximately 88 kilometers from La Coipa. MDO has built a substation at Carrera Pinto which ties the line from the mine site into the grid.

The dore produced at the mine is shipped to refineries in the United States and England, with gold and silver credited to MDO metal accounts. The gold and silver are sold into world markets at spot prices.

The La Coipa mine received an ISO 14001 certification in July 2002 and there are comprehensive procedures in place in the event of a safety or environmental incident. The most significant environmental issue at the mine is mercury contamination of the Campamento Aquifer. A processing plant incident in 1995 resulted in mercury-contaminated tailings being discharged at the tailings site. Mercury-contaminated water has been detected in the aquifer since that time. The mercury concentration in the water is adversely affected by the low aquifer flow rates, estimated at 10 liters per second to 15 liters per second, but low flow rates also reduce the rate of impact. This compares with 1,500 liters per second in the aquifer that serves as the source of water for the mine.

As a remedial measure, MDO installed a fence of wells to intercept and divert uncontaminated water through a pipeline around the problem area. Other wells were also installed below the tailings area to collect contaminated water, which was then pumped to the process plant for recycling. These measures were not entirely successful, and so a water treatment plant was constructed further downstream in 1999. The aquifer water is intercepted and passed through a resin filter at the treatment plant where mercury is removed. It is not known how long the plant, which is effective in removing mercury contamination, will have to operate after mine closure.

Kinross' share of the net present value of future cash outflows for site restoration costs at La Coipa under CICA Handbook section 3063, which is effective for fiscal years beginning January 1, 2004, are estimated at $5.2 million at December 31, 2003. This includes costs to demolish and remove plant site buildings, secure the pit area and prevent a safety hazard to the public, and operate the water treatment facility for up to 20 years. Because of the lack of vegetation in the area no major revegetation or resloping activities are currently proposed. Small-scale experimentation with growing plants in the arid climate is currently underway, and further field-testing is planned prior to closure. There is no requirement to post financial assurance to secure site restoration costs in Chile at present.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 50% ownership interest in the La Coipa mine for the eleven months ended December 31, 2003. Information for the years ended December 31, 2003, 2002, and 2001, is included for comparative purposes.

	KINROSS SHARE	YEARS ENDED DEC

	2003	2003	2002
SELECTED PRODUCTION AND OPERATING INFORMATION:			
Tonnes mined (000's)(1)	34,866.0	38,329.0	31,73
Tonnes of ore processed (000's)(1)	5,928.0	6,415.0	6,34
Gold grade (gpt)	1.20	1.20	1
Silver grade (gpt)	65.36	65.00	58
Average gold recovery (%)	84	84	
Average silver recovery (%)	61	61	
Production (ounces)(3)			
Gold	92,961	99,637	95,
Silver	3,793,568	4,066,554	3,594,
Gold equivalent	144,125	154,518	149,
Number of employees(2)	704	704	
SELECTED FINANCIAL INFORMATION (IN MILLIONS EXCEPT UNIT COSTS):(3)			
Revenue	$ 51.6	$ 53.0	$ 4
Cost of production	33.7	36.2	3
Inventory change/other	0.6	(1.0)	(
Site restoration cost accruals	0.6	0.6	
Depreciation, depletion and amortization	8.9	9.2	1
Mining property write-down	--	--	
Loss on sale of assets	0.1	0.1	
Interest	0.1	0.1	
Foreign exchange loss (gain)	1.1	1.1	(0
Exploration	0.9	0.9	
	46.0	47.2	4
Earnings (loss) before the undernoted	5.6	5.8	(
Income taxes	3.6	3.4	
Net earnings (loss)	$ 2.0	$ 2.4	$ (1
OTHER FINANCIAL INFORMATION:			
Capital expenditures (millions)(3)	$ 0.5	$ 0.5	$
Unit costs:			
Total cash costs per equivalent ounce produced	$ 234	$ 234	$
Total cash costs per tonne milled	$ 11	$ 11	$
Total production cost per gold equivalent ounce	$ 30	$ 298	$

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(1) Tonnes mined and ore processed includes 100% of mine production.

(2) Number of employees includes all employees and contractors on site.

(3) Production, selected financial information and capital expenditures are 50% of the results of the La Coipa mine for the periods indicated.

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measures, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

For further information on the 2003 results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--La Coipa (50% ownership, Placer Dome 50%, operator), Chile."

PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

The proven and probable reserves are sufficient for six years of production. The mine is scheduled to cease production in 2008 if additional reserves are not found; however, Kinross believes there is significant potential for additional reserves and resources near the present mine site.

Kinross' share of capital expenditures at the La Coipa mine in 2003 was $0.5 million compared to $nil during 2002. The increase was due to the completion of the TVX business combination on January 31, 2003. Kinross expects to spend $1.4 million for its share of capital expenditures in 2004.

[PICTURE]

CRIXAS MINE

The Crixas mine is owned by Mineracao Serra Grande, S.A. ("MSG"), which in turn is 50% owned by Newinco Comercio e Participacoes Limitada, a Brazilian corporation wholly owned by Kinross, and 50% by Brazilian affiliates of AngloGold. Kinross acquired the Crixas mine in its combination with TVX in January 2003.

PROPERTY DESCRIPTION AND LOCATION

The Crixas mine is situated in central Goias State, Brazil, approximately 250 kilometers northwest of Goiania, the state capital, and three kilometers from the town of Crixas. The Crixas mine constitutes two currently operating underground gold mines accessed by decline, Mina III and Mina Nova; three orebodies that have been accessed by underground development, Corpo SUL, Corpo IV, and Corpo V; and two orebodies under evaluation, Forquilha and Palmeiras. The maximum production capacity of the mining complex is 740,000 ore tonnes treated per year, constrained by the single ball mill in the grinding circuit.

MSG has interests in mineral rights covering a total area of 15,488 hectares. These interests include two mining leases covering a combined area of 6,482 hectares, 19 exploration licenses over an area of 14,944 hectares. Mining licenses are renewable annually and have no expiry date. Generally, exploration licenses are valid for three years, extendable for additional two years.

The Crixas mine is exposed to potential environmental liabilities related to the tailings storage area; waste rock storage on surface; industrial plant site; site water management; and mining lease MM2286/35 (area of historical mining by local miners or Garimpeiros). Preventive measures have been taken to limit any potential environmental liabilities.

With regards to the MM2286/35 mining lease, there is an area where approximately 100 Garimpeiros are currently conducting small scale mining operations. This mining is illegal under Brazilian law, and has been ongoing for many years. Mercury has been used to recover gold, and there is mercury contamination in this area. These conditions existed when MSG purchased the mining rights. MSG has prepared a thorough report documenting the existing conditions in the area of the Garimpeiros. Current agreements state that MSG is not responsible for the rehabilitation of the existing contamination. The cost of rehabilitation has not been studied.

MSG's mining operation at Crixas is subject to a mining tax equal to 1% of net sales and a tax on profit equal to the greater of: (a) 34% of actual profit and (b) 3% of net sales. MSG is currently paying tax at a rate of 3% of net sales from 2000 to 2004, when it will begin paying tax of 34% of profits.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Access to the area is by a paved road which links the town of Crixas and the Belem-Brasilia highway 120 kilometers to the southeast. There is an airstrip suitable for small aircraft outside the town of Crixas.

In the area of the Crixas mine, the topography is slightly undulated with vegetation close to savannah type (cerrado) with medium to small trees. The elevation of the mine office is 385 meters.

The climate is characterized by two well defined seasons; the rainy season with heavy precipitation and the dry season with low humidity values. The rainy season is from October to March, with the remaining months hot and dry. Annual rainfall is approximately 150 centimeters. Operations run year round, with minimal disruptions due to weather.

Domestic water for the mine is supplied from wells. These wells also supply the small amount of process make up water that is required. Due to the high amount of annual rainfall, water recycling practices, and system of water holding tanks on surface and underground, very little make up water is needed for the process plant or the underground mines. Electrical power is supplied to the site by a 135 kilometer power line connected to the national grid.

The mine has established surface areas for tailings disposal, waste disposal and for mineral processing. These are all sufficient to meet the future needs as defined by the life of mine plan. In the case of the tailings storage, the impoundment dam will be raised an additional five vertical meters.

HISTORY

In January 1991, TVX acquired all of the issued and outstanding shares of two wholly-owned subsidiaries of Inco Limited ("Inco") which held certain gold exploration, development and mining interests. This transaction included a 50% interest in Mineracao Serra Grande S.A., which owns the Crixas mine in Brazil.

Inco first began geological, geochemical and geophysical reconnaissance work in the Crixas region in 1973. Detailed geological mapping and ground magnetic surveys were completed and diamond drilling was conducted from 1973 to 1976. In 1976, Inco discovered gold mineralization below a group of excavations known as the Mina III Old Workings and began concentrating its effort in that area.

Subsequently, Inco decided to seek a partner to help fund further exploration and development and, in April 1983, Kennecott Corporation signed an option agreement to earn a 50% interest in the project. This agreement required the submission of a feasibility study and the commitment to spend $21 million. In 1986, Kennecott Corporation sold its participation in the project to an affiliate of Anglo American, which continued underground development and exploration and completed a feasibility study in 1987.

On October 16, 1987, the decision was made to proceed with the development of a mine and associated processing facilities having an annual throughput of 400,000 tonnes at a total capital cost of $73 million. Mining started in 1987 with ore being stockpiled on the surface. Development was largely completed by the end of 1989, enabling successful testing of the metallurgical circuit to take place through the fourth quarter of 1989. Initial dore bullion associated with this testing was poured on November 14, 1989. Initial gold sales from the project occurred in January 1990.

In 1995, the annual site throughput was increased from 450,000 to 485,000 tonnes. The maximum annual throughput has subsequently been increased to 740,000 tonnes by feeding finer material to the ball mill.

Kinross acquired TVX's ownership in Crixas on January 31, 2003, on completion of the business combination of Kinross, TVX, and Echo Bay.

GEOLOGY AND MINERALIZATION

The Crixas property is situated in the Crixas greenstone belt in the State of Goias in central Brazil. It is located in a well-preserved tract of Archean terrain composed of three slightly arcuate strips or belts of volcano-sedimentary rocks trending in an approximately north-south direction. They are intruded by granitic rocks and, in places, are partially covered by younger rocks.

The Mina III gold deposit occurs within folded metavolcanic and metasedimentary rocks of Archean age. The metamorphism in the area has been described as upper greenschist facies which indicate conditions of medium temperature. These rocks are well foliated and are largely constituted of chlorite, biotite, graphite, carbonate and feldspar plus minor chloritoid and garnet. Although uniformly foliated, the schists do not commonly exhibit joints or shear fractures.

The Mina III deposit is a stratabound deposit. Mineralization occurs within three stratagraphic horizons referred to as the Upper, Intermediate and Lower Ore Zones. The ore grade portions of the three horizons are markedly elongated in a west-northwest direction and are stacked vertically above one another. About 60 meters of barren rock separate each ore zone from the next overlying zone.

The Upper Zone ore is geologically complex and includes massive sulphide, chloritoid-garnet with lesser amounts of arsenopyrite, pyrrhotite and magnetite and sericite, a quartz-sericite schist with minor disseminated arsenopyrite and pyrrhotite. The Intermediate Zone ore is very similar to the Upper Zone and is sandwiched within a dolomite unit. This zone is less continuous than the other zones. The Lower Zone ore is associated with a very persistent metachert horizon which has been traced by drilling for 1,800 meters down plunge. Gold mineralization occurs within the metachert, at the footwall of the chert and in the foot and hangingwall of the graphite schists.

The Mina Nova orebody lies two kilometers north of Mina III and occurs as a series of elongate tabular bodies, horizontal in the east and dipping in the west. Mineralization occurs as disseminated sulphides, predominantly Pyrrhotite, hosted in graphitic schist. Abundant quartz mineralization occurs at the base of the mineralized sequences. The hangingwall is well defined and marked by a sharp increase in the percentage of arsenopyrite present. The basal quartz mineralization carries fine grained free gold and during the mining process this unit is preferentially mined as dilution over the hangingwall. Minor quartz carbonate veining occurs with pyrrhotite and indicates areas of elevated grade.

EXPLORATION

Kinross' share of exploration expenditures totaled $0.5 million during 2003. Kinross' share of the planned exploration spending for 2004 is $0.5 million.

DRILLING, SAMPLE AND ANALYSIS AND SECURITY OF SAMPLES

The sampling methodology at Crixas is dependent on the particular orebody being investigated and has a direct influence on the classification category applied to the resources and reserves. There are three primary sources of information, surface and underground diamond drilling and underground chip sampling.

The surface drilling is used, primarily, for exploration and delineation of the orebody at depth. Underground drilling is used for improving confidence in the location and form of the orebody and for definition of inferred and indicated resources. The chip sampling is used, along with the drilling results, for calculation of grade of the measured and indicated resources and for locating the hangingwall and footwall contacts for mining.

Surface drilling is carried out by conventional diamond core drilling. Drill samples are taken at 1 meter intervals with a 20% variance in sample length to take account of significant geological contacts. The average recovery is quite high, at in excess of 95%. Given the competency of the rock and the general ground conditions it is unlikely that there would be significant core loss when drilling in the vicinity of the orebody.

Surface drilling is carried out at 25 to 50 meters spaced intervals along drill lines spaced approximately 100 meters apart. Drilling is generally carried out with orientations to the east-southeast in order to provide the best intersection with the orebodies. Downhole surveys are carried out at 15 meters intervals using Sperry Sun and Tropari instruments. All core is sawn in half with one half provided for assay and the remaining half retained for data verification work.

Core is obtained from underground drilling and is used for sampling of indicated panels in order to bring them into the measured category. As with the surface drilling, the sampling is carried out at one-meter intervals. The whole core sample is crushed for sampling and therefore detailed geological logging is necessary prior to crushing.

At the Upper Zone in Mina III, the drilling is carried out in a 360 degree fan pattern in order to define the lateral extent of the discontinuous orebodies. Drill sections are spaced at 15 to 20 meter intervals along development drives. The mineralization in the Lower Zone tends to be more continuous and drilling is carried out on drill lines 30 meters apart. Drilling is carried out from development drives parallel to the plunge direction.

The majority of the underground sampling is carried out using what is referred to as channel sampling. The method would more accurately be described as chip sampling. Chip samples are collected on two-meter intervals along development drives and in raises developed through the orebody between levels. Samples are collected in one-meter intervals starting approximately one-meter in the footwall. The footwall can generally be defined visually in the drives and stopes and the quartz orebodies, in particular, are easily identifiable. The sampling is carried out along the circumference of the drive outline after the rock face has been washed down and the sample line located by the survey.

Sampling occurs across the dip of the orebody and, where the full thickness of the orebody is not exposed, short diamond holes are drilled horizontally into the hangingwall and/or footwall to provide a full intersection.

All sample preparation and analysis is carried out at the laboratory facilities situated at the Crixas mine. The laboratory at Crixas is responsible for analysis of all samples originating from the metallurgical plant, tailings and underground sampling (drilling and channel samples). Exploration samples are analyzed by an independent laboratory. Samples from the various sources are kept separate and analyzed in separate batches and, in some cases, dedicated equipment is reserved for particular sample types. Quality checks are carried out internally and externally at other laboratories in Brazil.

MINERAL RESERVE AND RESOURCE ESTIMATES

The following table sets forth the estimated proven and probable reserves for the Crixas mine as at December 31, 2003, and 2002, and represents Kinross' 50% interest:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			200 GOLD U.S. O	
	TONNES	AVERAGE GRADE	GOLD CONTENT	TONNES	A
	(000'S)	(GPT)	(000'S OZ)	(000'S)	
Proven	1,569	6.39	323	1,392	
Probable	577	7.92	147	526	
Total	2,146	6.81	470	1,918	

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In addition to proven and probably reserves, as at December 31, 2003, the Crixas mine has an estimated 76,000 tonnes of measured and indicated resources at an average grade of 1.51 grams of gold per tonne at a gold price of U.S. $350 per ounce. UNITED STATES INVESTORS ARE ADVISED THAT THE TERMS "MEASURED RESOURCES" AND "INDICATED RESOURCES" ARE RECOGNIZED BY CANADIAN REGULATIONS BUT NOT BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

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MINING AND PROCESSING

The Crixas mine is an underground operation accessed from the surface by means of a decline ramp. The mining methods used are primarily mechanized cut-and-fill and room-and-pillar with some slusher mucking. Ore is transported to surface by 25 tonne trucks. The life of mine plan is based on a combined production rate of 735,000 tonnes per year. For 2004, Mina III will contribute 456,000 tonnes (63%) and Mina Nova 270,000 tonnes (37%). Both mines operate 24 hours per day, 7 days per week, with a total of 341 operating days scheduled per year. At the Mina III deposit, the overall mining sequence has been from the top, downward. The main ramp has been advanced down to 550 meters level, while levels 350 to 450 meters represent the current mining horizon.

The mining methods used at Crixas are mechanized cut and fill and room and pillar.

The ore is processed at an on-site mill which has a 725,000 tonnes per annum capacity. The mill operates 362 days per year and uses the Merrill-Crowe zinc precipitation process to recover gold.

Mill tailings are deposited in a tailings area located in a natural valley approximately two kilometers from the plant. A second dam, located down the valley, acts as an overflow catchment area during periods of high rainfall. Decanted solutions from the tailings area are recirculated as mill process makeup water.

At the Mina III deposit, mine dewatering requirements average 80 cubic meters per hour, increasing to 170 cubic meters per hour during backfilling. The main sump on the 150 meter level is equipped with three 112 kilowatt slurry pumps in series, capable of a total of 220 cubic meters per hour. Each main level has a sump and 93 kilowatt slurry pump to deliver water to the main sump. The main sump delivers water to one of the thickeners in the mill, used to clarify the water. Water from the thickener is recycled to the mine.

The Mina Nova is a relatively shallow mine, and there is a river flowing over it (Rio Vermelho). For this reason the geomechanical design of the mine is being carefully engineered and monitored. No instability has been detected. Hydrogeologic studies have been undertaken at Mina III and Mina Nova to characterize the permeability of the rock. The hydraulic transmissibility is very low due to the presence of schist type rocks.

In Brazil, electricity is predominantly (90%) sourced from hydro-electric power. Low rainfalls in recent years caused serious energy shortfalls. In response to this shortfall, the Crixas mine secured alternative electricity supplies from rented generators and buying power on the market.

Rainfall has been above normal in 2004 and the cost and availability of electricity has returned to normal levels.

MSG sells the refined gold from the Crixas mine at spot prices and provides a dividend to Kinross.

The net present value of future cash outflows for site restoration costs for Kinross' 50% ownership interest in Crixas under CICA Handbook section 3063, which is effective for fiscal years beginning January 1, 2004, was $1.2 million at December 31, 2003. Currently in Brazil there are no laws requiring the posting of a reclamation bond or other financial assurance.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 50% ownership interest in the Crixas mine for the eleven months ended December 31, 2003. Information for the years ended December 31, 2003, 2002, and 2001, is included for comparative purposes.

	KINROSS SHARE	YEARS ENDED DECE	
	2003	2003	2002
SELECTED PRODUCTION AND OPERATING INFORMATION:			
Tonnes mined (000's)(1)	684.1	747.5	743.0
Tonnes of ore processed (000's)(1)	684.1	747.5	743.0
Gold grade (gpt)	8.20	8.20	8.20
Average gold recovery (%)	96	96	96
Gold equivalent production(3)	86,698	94,746	93,660
Number of employees(2)	644	644	625
SELECTED FINANCIAL INFORMATION (IN MILLIONS EXCEPT UNIT COSTS):(3)			
Revenue	$ 32.7	$ 35.2	$ 30.7
Cost of production	9.5	10.3	8.2
Inventory change/other	0.8	0.7	0.2
Site restoration cost accruals	0.2	0.2	0.1
Depreciation, depletion and amortization	9.1	9.4	4.7
Loss on sale of assets	0.3	0.4	0.1
Interest	--	--	0.2
Foreign exchange (gain) loss	(0.1)	(0.2)	0.6
Exploration	0.5.	0.5	0.5
	20.3	21.3	14.6
Earnings before the undernoted	12.4	13.9	16.1
Income taxes	0.5	0.8	1.5
Net earnings	$ 11.9	$ 13.1	$ 14.6

OTHER FINANCIAL INFORMATION:

Capital expenditures (millions)(3)	$ 3.2	$ 3.3	$ 1.8
Unit costs:			
Total cash costs per equivalent ounce produced	$ 109	$ 109	$ 88
Total cash costs per tonne milled	$ 28	$ 28	$ 22
Total production cost per gold equivalent ounce	$ 217	$ 210	$ 139

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(1) Tonnes mined and ore processed includes 100% of mine production.

(2) Number of employees includes all employees and contractors on site.

(3) Gold equivalent production, selected financial information and capital expenditures are 50% of the results of the Crixas mine for the periods indicated.

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measure, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

For further information on the 2003 results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--Crixas (50% ownership, Anglo Gold 50%, operatoR), Brazil."

PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

The life of mine plan based on proven and probable mineral reserves indicates a remaining mine life into 2007.

Kinross' share of capital expenditures at the Crixas mine in 2003 was $3.2 million compared to $nil during 2002. The increase was due to the completion of the TVX business combination on January 31, 2003. Kinross' planned expenditures for 2004 are $3.3 million.

[PICTURE]

PARACATU (BRASILIA) MINE

The Paracatu (Brasilia) mine is held by Rio Paracatu Mineracao S.A. ("RPM"), which is 49% owned by Kinross and 51% owned by a subsidiary of Rio Tinto. The mine is operated by Rio Tinto. Kinross acquired its interest in the Paracatu (Brasilia) mine in its combination with TVX in January 2003.

PROPERTY DESCRIPTION AND LOCATION

The large scale open pit mine is located less than two kilometers north of Paracatu City, situated in the northwest part of Minas Gerais State, 230 kilometers from Brasilia, the capital of Brazil, on the paved highway connecting Paracatu (Brasilia) with Belo Horizonte, the state capital of Minas Gerais.

The mine site is comprised of an open pit mine, a mineral processing plant, tailings storage facilities and related surface infrastructure, currently operating at approximately 20 million tonnes per year. No waste stripping is required, nor is drilling and blasting employed in the mine, as the weathered ore is ripped by bulldozers prior to excavation. The open pit benching operation measures approximately four kilometers by two kilometers, and it is located on a gently sloping hillside. The elevation of the open pit and industrial plant area ranges from approximately 720 to 820 meters.

RPM holds two mining licenses covering the area (approximately 1,253 hectares) of the open pit mine. RPM also holds two exploration permits in the immediate mine area know as "Alvara de Pesquisa." Generally, these permits are valid for three years, extendable for an additional two years.

RPM must pay a third party royalty of 0.33% of net sales to a landholder.

The Paracatu (Brasilia) mine is exposed to limited environmental liabilities related to the following: site water management; main tailings storage area; sulphide tailings storage area; industrial plant site; and airborne dust. Environmental liabilities are being minimized through good management practices.

RPM's mining operations at Paracatu (Brasilia) are subject to a mining tax equal to 1% of net sales and a tax on profit equal to the greater of: (a) 34% of actual profit; and (b) 3% of net sales.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Access to the Paracatu (Brasilia) mine is by paved road, as the mine is located next to the city of Paracatu, which lies on the main highway between Rio de Janeiro and Brasilia, the national capital. There is also an airstrip suitable for small aircraft in the city of Paracatu.

The local terrain is dominated by low rolling hills, largely cleared, and supporting mixed agriculture of dairy and beef cattle farming and intensive irrigated cropping, primarily soya beans.

The average rainfall varies between 1,800 and 2,000 millimeters per year occurring in a distinct wet season between October and March.

Most of the labor force resides in the city of Paracatu.

Domestic water for the mine is obtained from the city of Paracatu, delivered by truck. Process water is recycled from the tailings pond. Some make up water is drawn from two rivers during the rainy season, as needed, to ensure that the water level in the tailings pond is sufficient for the dry part of the year. These are the Sao Domingos and Sao Pedro rivers. The mine also has access to artesian wells as an emergency water supply.

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The mine is connected to the national power grid, which relies mainly on hydroelectric generation. Electricity is supplied in a free market with consumers able to select their supplier of choice. RPM obtains electricity from Centrais Electricias Minas Gerias. Some power supply outages have been experienced during the rainy season due to water getting into high voltage equipment, but these have not had a significant impact on production. The mine has a small emergency power capability, used for critical process equipment that cannot be suddenly stopped such as thickeners and CIL tanks.

HISTORY

Paracatu's (Brasilia) history is intimately linked to the Portuguese bandeirantes expeditions prospecting for gold in the interior of Brazil. They arrived in the region in 1722 after the discovery of gold-bearing alluvial fans. The extractive activity had its peak during the second half of the 18th century, when not only the alluvial deposits where mined but also the oxidized ore outcropping on the top of Morro do Ouro Hill (or "Hill of Gold"), at the time called Morro da Cruz das Almas; also in this period there were mining activities on the alluvial terraces along Rico river. With the gold occurrences becoming lean, production declined sharply during the first decade of the 19th century. From this period "garimpagem" was practiced by Paracatu inhabitants only for their subsistence. Various prospectors studied the region but did not turn the extraction economically viable due to the low grade of gold in the ore.

Beginning in 1970, Paracatu (Brasilia) attracted some attention from the mineral exploration companies that were interested mainly in lead and zinc. The interest in the gold of Morro do Ouro was secondary, as the majority of the companies were not attracted by the gold grade, which was considered to be uneconomic.

In 1980, Rio Tinto Zinc (currently Rio Tinto plc.) that operated in Brazil under the name of Riofinex do Brasil, joined with Billiton in a partnership. Billiton owned the Morro do Ouro area but had no interest in investing in the area. In 1984 Billiton sold the balance of its shares to Riofinex, and Riofinex became the sole controller of the prospective area. At the end of 1984, based on the data from hundreds of deep shafts (up to a 25 meter depth) and 44 drill holes, a reserve of 97.5 million tonnes at 0.587 grams per tonne of gold was estimated. This estimate only included the superficial oxidized ore, currently categorized as type CT. In spite of the low gold grade of the ore, the geologists responsible for exploration (namely, Antonio Zini and Rubes Forlin) believed that these exploration results could generate a profitable business, and in 1985 this was confirmed by financial viability studies. Total investment up to that time was $7.3 million including ground acquisition costs, exploration costs, and the cost of feasibility studies.

The holding company approved the initiation of a mining project at a capital cost of approximately $65 million, on the condition that a Brazilian partner could be secured for the venture. At the end of 1985, RTZ Mineracao (now

Rio Tinto Brasil), arranged with Autram Mineracao e Participacoes S.A. (now TVX Participacoes S.A.) to joint venture the project through a new company, RPM, with Rio Tinto Brasil having a 51% interest and TVX Participacoes S.A. a 49% interest.

The mine began production in October, 1987, treating oxidized ore. The first bar of gold was produced in December, 1987. Ore milled in the following year was 6.1 million tonnes averaging 0.652 grams per tonne of gold. In 1993 the milling rate reached 13 million tonnes per year. Mill throughput in 2000 was 19.7 million tonnes averaging 0.467 grams per tonne of gold.

Until 1997 the mill was fed exclusively with oxide ore. Since 1998 primary sulphide mineralization has also been fed to the mill, without any drop in grade, though that has required a series of investments in the beneficiation and metallurgical circuits.

Kinross acquired TVX's ownership in the Paracatu (Brasilia) mine on January 31, 2003, on completion of the business combination of Kinross, TVX, and Echo Bay.

EXPLORATION

Kinross did not incur any exploration expenditures in 2003 nor are any planned for 2004.

GEOLOGY AND MINERALIZATION

The host rock comprising the Morro do Ouro deposit lies within a sandstone-shale succession of sedimentary rocks known as the Paracatu Formation. These rocks are part of the central Brazilian shield, are Proterozoic in age and form part of a marine sequence containing carbonates, shales, and sandstone.

The portion of the Paracatu Formation of economic interest is a very well laminated, dark grey phyllite with thin lenses of carbonate and lenses or single crystals of sulphides, and contains a thin but persistent band of quartzite and other thinner and less consistent sandstone horizons. Quartz is present as variably-sized occurrences up to 0.5 meters in size, called boudins. Gold is present as the native metal, alloyed with minor amounts of silver, and tends to occur around the quartz boudins particularly where the boudins are marked by layers of iron carbonates and/or pyrrhotite. The weathered 40 meter thick phyllite package was the object of the mining plan to the end of 1997 and has been subdivided from top to bottom into ore types C, T, B1 and B2. Underlying the B1 ore the mineralization extends for approximately 30 meters more, hosted in a layer of partially weathered phyllite with visible sulphide (total sulphur exceeds one per cent) and high graphitic content. The grade of this lower phyllite layer, known as type B2 ore, is similar to the remainder of the orebody.

The mineralization appears to be cut off to the north by a major fault which trends east-northeast. The offset and true morphology of this fault are not clearly understood but it is used as a hard boundary for the resource estimation and it is assumed that the upthrow is to the north which would indicate that the orebody on the north of the fault has been eroded. The western boundary of the mineralization is also currently defined by a fault. Once again the morphology of this fault is poorly understood and it is assumed that downthrow occurs to the west. The western boundary fault strikes to the north-northwest and is believed to follow a linear topographic low feature to the west of the river valley, which forms the limit of the current mining operation.

DRILLING, SAMPLE AND ANALYSIS AND SECURITY OF SAMPLES

In the 1970's the area was prospected extensively for lead and zinc and in 1984 Rio Tinto took over the Billiton share of the exploration license over the Morro do Ouro area. By the end of 1984 a reserve had been delineated based on 44 drill holes and 458 surface pits (25 meter maximum depth). This reserve was stated to be 97.5 million tonnes at 0.59 grams per tonne of gold and was exclusively composed of C and T type ore.

Various drilling and pitting campaigns have been carried out over the years on a grid spacing of between 50 meters and 400 meters. To date, the total sampling consists of 1,129 drill holes 31,473 meters of drilling and 29,767 one-meter samples. In 1989, a reverse circulation drill campaign was carried out with 67 holes drilled on a 400 meter by 200 meter grid. The results of this drilling exhibited a 25-30% drop in grade when compared to the diamond core drilling campaigns. However, the data from these reverse circulation rotary holes is currently retained in the drillhole database and is used for the resource calculations. Until 1993 drilling was restricted to the oxide capping, but since 1993 drilling has been extended into the fresh sulphide material of the B2 horizon. The orebody is now effectively covered with a 100 meter grid of drillholes. Definition of fault boundaries has led to a better understanding of the boundaries of the deposit and future drilling is planned to deepen existing holes rather than drill any new areas around the periphery of the orebody. Currently, some 50% of the drilling do not intersect the full thickness of the orebody. The plan calls for drilling some 2,000 meters a year and it is estimated that at least 13,000 meters of additional drilling are required to complete all holes in the orebody footwall.

The current understanding is that the orebody boundaries are defined laterally. The exception to this is in the west of the deposit on the western side of the Corrego Rico river valley where a series of deep drillholes are planned to test the down dip extension of the orebody. It is believed that the orebody may be up to 160 meters deep in this area. The river currently forms the western boundary of the mining operation.

Since the initial exploration campaign, virtually all sampling has been carried out by diamond drilling. The majority of this has been through core drilling with only a restricted reverse circulation rotary campaign in 1989. Prior to 1999 all holes were drilled with a 51 x 6 inch diameter barrel. However, since 1999 the core size has been reduced to 3 inches.

Core recovery is high, with a consistent recovery of greater than 95%. Prior to crushing, the core is photographed and logged.

Density measurements have been collected from the deposit at various times from feasibility through to current production.

During evaluation drilling, samples of core are taken from one-meter intervals, weighed, and specific gravity is determined using the water displacement method.

Assaying is carried out on 50 gram aliquots. A total of six separate assays for gold are carried out from each 1 meter sample pulp. A sulphur assay value is calculated for each sample. Additional elements assayed are arsenic, copper, lead, zinc, manganese, cadmium and silver. The last two elements are not assayed as a matter of course.

Interlaboratory check assay exercises are carried out between the RPM internal laboratory and the laboratory at Lakefield Research in Canada. Additional check assay work is carried out at the Phalabwora mine laboratory in South Africa. For these checks the coarse reject is sent to the external facilities to allow preparation of an independently produced pulp.

MINERAL RESERVE AND RESOURCE ESTIMATES

The following table sets forth the estimated proven and probable reserves for the Paracatu (Brasilia) mine as at December 31, 2003, and 2002, and represents Kinross' 49% interest:

	2003 (AT A GOLD PRICE OF U.S. $325 PER OUNCE)			200 GOLD U.S. O
	TONNES (MILLIONS)	AVERAGE GRADE (GPT)	GOLD CONTENT (000'S OZ)	TONNES (MILLIONS)
Proven	164.0	0.42	2,225	156.4
Probable	31.8	0.38	388	24.4
Total	195.8	0.42	2,613	180.9

In addition to proven and probable reserves, as at December 31, 2003, the Paracatu (Brasilia) mine has an estimated 76.63 million tonnes of measured and indicated resources at an average grade of 0.39 grams of gold per tonne. UNITED STATES INVESTORS ARE ADVISED THAT THE TERMS "MEASURED RESOURCES" AND "INDICATED RESOURCES" ARE RECOGNIZED BY CANADIAN REGULATIONS BUT NOT BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. UNITED STATES INVESTORS ARE CAUTIONED NOT TO ASSUME THAT ALL OR ANY PART OF MINERAL DEPOSITS IN THESE CATEGORIES WILL EVER BE CONVERTED INTO PROVEN AND PROBABLE RESERVES.

MINING AND MILLING OPERATIONS

The Paracatu (Brasilia) mine is a high tonnage low-grade open pit operation. The mine is unusual in that the entire pit is either free dug or utilizes ripping and dozing with no drilling and blasting. Weathering has led to the development of an oxidized mantle over the sulphide mineralization with thickness varying from 20 to 40 meters. The economic viability of this low-grade orebody has been partly derived from the soft rock and free gold in the weathered mantle. Also, the mine is situated on a gently sloping hillside and there are no waste stripping requirements.

The ore, which is mined from the surface and requires no drilling or stripping, and minimal blasting, is loaded by front-end loaders into 85 and 100 tonne trucks which transport the ore to the crushers. Exploration started in 1999 to evaluate extensions of the orebody both laterally and at depth. The mill and mine operate 24 hours per day, 7 days per week. The nominal plant throughput is 1.6 million tonnes per month. An ore stockpile of approximately 10 days production is maintained near the processing plant. Its main purpose is to ensure uninterrupted mill feed in the rainy season when some delays may be experienced in the pit during extreme rainfall. During the dry season the stockpile can be used if the pit becomes too dusty. RPM is committed to controlling dust levels on site and in the city.

Ore is crushed and ground prior to introduction into a flotation circuit. The concentrate is treated by gravimetric methods first and the coarser gold is recovered. The concentrate reject from the gravimetric plant is then treated by a conventional cyanidation and carbon-in-leach circuit developed by Rio Tinto Zinc.

The processing plant, subjected to several upgrades over the mine life, currently processes 20 million tonnes per year. Significant repairs were required to all mills in 2001 due to the development of extensive cracks in welds directly associated with the processing of harder ore.

Since start up, the mined grade has declined, but has stabilized since the late-1990s near 0.43 grams per tonne of gold that is essentially reserve grade. Despite the downward trend in grade, gold production has increased. This is due to the fact that site production has significantly increased, more than offsetting the reduction in grades. Also, the total metallurgical gold recovery achieved each year has remained relatively steady, despite the decrease in grades.

Rio Tinto Brasil sells the gold from the Paracatu (Brasilia) mine at spot prices.

As at December 31, 2003, Kinross' share of the net present value of future cash outflows for site restoration costs for Paracatu (Brasilia) under CICA Handbook section 3063, which is effective for fiscal years beginning January 1, 2004, was $7.3 million. The mine currently has many years of life remaining, and the estimated cost will very likely be affected by variances in the exchange rate.

Currently in Brazil there are no laws requiring the posting of a reclamation bond or other financial assurance.

There is a plan to mine oxide ore only during the last year of production. This will provide a cover for the main tailings pond, which will then be drained. The closure plan involves placing a 1-meter thickness of cover materials on the final pit floor, the top 0.8 of a meter being soil material.

SUMMARY OF PRODUCTION AND FINANCIAL DATA

The following table summarizes certain gold production, operating and financial data relating to Kinross' 49% ownership interest in the Paracatu (Brasilia) mine for the eleven months ended December 31, 2003. Information for the years ended December 31, 2003, 2002, and 2001, is included for comparative purposes.

	KINROSS SHARE		YEARS ENDED DE
	2003	2003	2002

SELECTED PRODUCTION AND OPERATING INFORMATION:

Tonnes mined (000's)(1)	17,263.0	18,613.0	18,400
Tonnes of ore processed (000's)(1)	16,891.4	18,411.0	18,400
Gold grade (gpt)	0.40	0.44	0.
Average gold recovery (%)	77	77	
Gold equivalent production(3)	91,176	98,326	110,0
Number of employees(2)	696	696	7

SELECTED FINANCIAL INFORMATION
(IN MILLIONS EXCEPT UNIT COSTS):(3)

Revenue	$ 33.6	$ 37.0	$ 35
Cost of production	17.3	18.6	18
Inventory change/other	0.4	0.8	(0
Site restoration costs accruals	0.8	0.9	1
Depreciation, depletion and amortization	5.7	6.1	4
Care and maintenance	1.4	1.2	
Interest	0.1	0.1	0
Foreign exchange (gain) loss	(1.1)	(1.2)	4
	24.6	26.5	27
Earnings before the undernoted	9.0	10.5	7
Income taxes (recovery)	2.5	2.9	0
Net earnings	$ 6.5	$ 7.6	$ 6

OTHER FINANCIAL INFORMATION:

Capital expenditures (millions)(3)	$ 5.2	$ 5.3	$ 2
Unit costs:			
Total cash costs per equivalent ounce produced	$ 193	$ 189	$ 1
Total cash costs per tonne milled	$ 2	$ 2	$
Total production cost per gold equivalent ounce	$ 261	$ 260	$ 2

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(1) Tonnes mined and ore processed includes 100% of mine production.
(2) Number of employees includes all employees and contractors on site.
(3) Gold equivalent production, selected financial information and capital expenditures are 49% of the results of the Paracatu (Brasilia) mine for the periods indicated.

Total cash costs is a non-GAAP measure. For further information on this non-GAAP measure, please refer to the disclosure under "Calculation of Total Cash Costs and Realized Revenue and Reconciliation to the Statement of Operations," above.

For further information on the 2003 results, refer to the disclosure included under "Kinross Management's Discussion and Analysis of Financial Condition and Results of Operations--Financial/Operations--Operations--Mine Operations--Paracatu (Brasilia) (49% ownership, Rio Tinto 51%, operator), Brazil."

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PRODUCTION FORECAST, LIFE OF MINE, AND CAPITAL EXPENDITURES

The Paracatu (Brasilia) mine currently has a nominal capacity of about 20 million tonnes per year with variations depending on the hardness of the ore, as it affects grinding throughput. In general, ore hardness is expected to increase over the remaining mine life as the pit is deepened. Under this scenario, the current reserves will be exhausted by 2022.

RPM is in the process of studying a major expansion project that would potentially increase the future capacity to approximately 30 million tonnes per year. If the expansion were implemented, the current reserves would be exhausted by year 2016.

Kinross' share of capital expenditures at the Paracatu (Brasilia) mine in 2003 was $5.2 million compared to $nil during 2002. The increase was due to the completion of the TVX business combination on January 31, 2003. Capital expenditures in 2003 were mainly related to additions to the mining fleet and work related to the tailings dam. Kinross plans to spend $13.1 million for its share of capital expenditures in 2004 to expand the mine.

[PICTURE]

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MUSSELWHITE MINE

The Musselwhite property is operated as an unincorporated joint venture between Placer Canada (68.07%) and Kinross (31.93%). Each party is responsible for funding the expenses incurred in any work program in proportion to its participating interest in the joint venture. Placer Canada is designated as the operator of the joint venture, and thus is responsible for preparing work programs and carrying out and supervising all work to be performed under each work program. The management committee is comprised of four members of whom two are the nominees of Kinross. Decisions of the management committee require the approval of nominees representing at least a majority interest in the joint venture. Kinross acquired its interest in the Musselwhite Mine in its combination with TVX in January 2003.

PROPERTY DESCRIPTION AND LOCATION

The Musselwhite property is located in the Patricia Mining District of northwestern Ontario, Canada. The mine lies in the Opapimiskan Lake area, approximately 76 kilometers southeast of the First Nations community of Round Lake (Weagamow), 130 kilometers north of the town of Pickle Lake, Ontario and 430 kilometers northwest of Thunder Bay, Ontario. The property consists of a total of 617 claims. There is a core holding of 338 leased mining leases, of which 96 claims are mining rights only, and 242 are mining and surface rights leases. Surrounding this core holding are 279 contiguous unpatented mining claims. The core holding and unpatented claims together span approximately 5,444 and 12,104 hectares, respectively, for a total of 17,548 hectares. The claims have expiration dates ranging from January 13, 2005, to June 12, 2012.

The mine has recently renewed an impact benefit agreement with local First Nations groups. In the new agreement, restrictions on daily mill throughput have been removed, and revenue sharing provisions have been incorporated to help direct some of the mine's economic benefits directly into local communities.

As an unincorporated joint venture, the mine does not pay income taxes directly, and Kinross and Placer Canada must pay taxes on a corporate level based on their prorated shares of revenue. In Ontario, profits are taxed at the federal and provincial levels. Federal taxes are levied on each partner's share of the mine operations taxable income, which is net of direct operating expenses, appropriate share of depreciation of capital and resource allowances, and deductions for exploration and pre-production development. The net federal tax rate is currently 28.12%, reducing to 22.12% by 2007. Ontario uses the federal taxable income, with some minor adjustments to deductions and allowances, and taxes this at rate of 11%, increasing to 12% in 2004. In addition, Ontario levies a small capital tax on the paid-up capital of the mine above $5 million. Ontario also levies a mining tax after deductions, including processing allowances, at a 2002 rate of about 12%; this is scheduled to reduce to 10% in 2004.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Access to the property is by a 45 kilomete