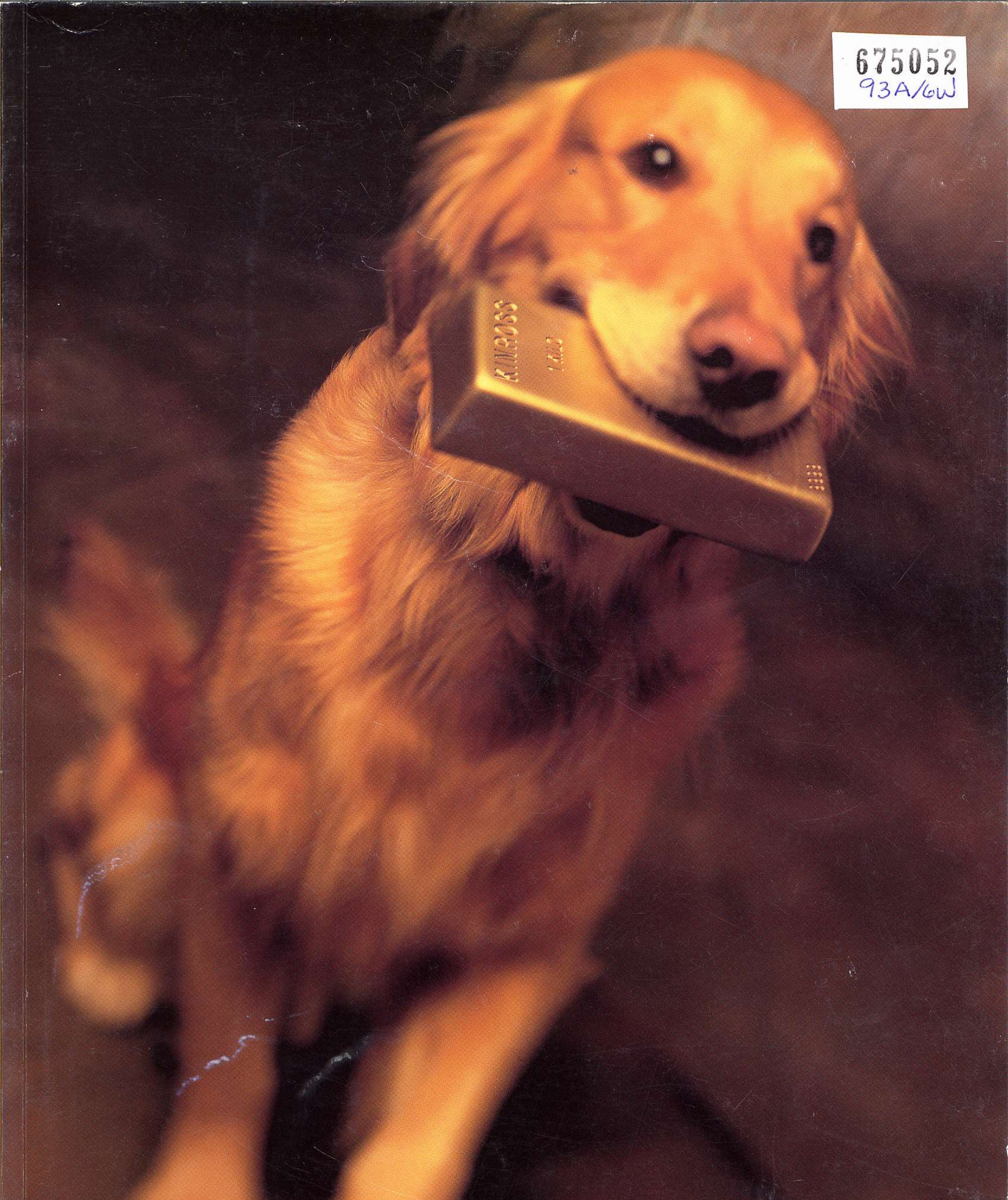


KINROSS GOLD CORPORATION

1994 ANNUAL REPORT

CORPORATE PROFILE

KINROSS GOLD CORPORATION WAS FORMED IN JUNE 1993 AND MOVED QUICKLY TO BECOME AN INTERNATIONAL GOLD MINING COMPANY WITH OPERATIONS IN THE UNITED STATES, CANADA AND ZIMBABWE. THE COMPANY IS WELL FINANCED, HAS AMBITIOUS PLANS FOR GROWTH THROUGH PLANT EXPANSIONS, NEW PRODUCTION, ACQUISITIONS, RESERVE EXPANSION, AN AGGRESSIVE AND INNOVATIVE EXPLORATION PROGRAM AND IS COMMITTED TO ACCOMPLISHING THIS WHILE MAINTAINING A STRONG BALANCE SHEET.

Contents

All dollar amounts in this report are expressed in Canadian dollars unless otherwise stated.

Cover: The image of a young golden retriever exemplifies the activities of Kinross Gold Corporation, a young energetic company determined to bring the trophy back to its owners, our shareholders.

ORE RESERVES & RESOURCES

Kinross Gold Corporation's Share at December 31, 1994

(Inplace, mineable, diluted)

Operating and Developing Mines	Tonnes	Gold Grade (g/t)	Contained Gold (kg)	Silver Grade (g/t)	Contained Silver (kg)	Contained Gold ozs (thousands)	Contained Silver ozs (thousands)
PROVEN + PROBABLE RESERVES (INCLUDING STOCKPILES)							
Canadian Operations:							
Bell Creek	61,000	8.30	506	0.00	0	16	0
Hoyle Pond	306,000	13.92	4,258	0.00	0	137	0
QR	1,355,000	4.68	6,335	0.00	0	204	0
Total	1,722,000	6.45	11,099	0.00	0	357	0
U.S. Operations:							
Candelaria	9,668,000	0.14	1,336	49.58	479,297	43	15,410
DeLamar	13,424,000	1.38	18,529	38.26	513,581	595	16,512
Denton-Rawhide (Company's Share)	9,936,000	0.93	9,245	11.15	110,817	298	3,563
Total	33,028,000	0.88	29,110	33.42	1,103,695	936	35,485
Zimbabwe Operations:							
Blanket	1,010,000	4.30	4,343	0.00	0	140	0
Golden Kopje	472,000	5.17	2,438	0.00	0	79	0
Total	1,482,000	3.31	6,781	0.00	0	219	0
Total Proven + Probable Reserves (including stockpiles)	36,232,000		46,990		1,103,695	1,512	35,485
POSSIBLE RESERVES							
Canadian Operations:							
Hoyle Pond	987,000	13.90	13,720	0.00	0	441	0
QR	218,000	4.23	922	0.00	0	30	0
Total	1,205,000	12.15	14,642	0.00	0	471	0
U.S. Operations							
DeLamar	773,000	0.65	502	60.23	46,559	16	1,495
Denton-Rawhide (Company's Share)	25,000	1.04	26	not estimated	not estimated	1	not estimated
Total	798,000	0.66	528	58.34	46,559	17	1,495
Total Possible Reserves	2,003,000		15,170		46,559	488	1,495
Total Contained Gold & Silver (all reserve categories)						2,000	36,980
DRILL INDICATED RESOURCES							
Canadian Operations:							
Hoyle Pond	2,786,000	12.80	35,661	0.00	0	1,147	0
U.S. Operations:							
Candelaria	6,148,000	0.23	1,398	225.15	1,384,196	45	44,502
Zimbabwe Operations:							
Blanket	2,712,000	5.78	15,677	0.00	0	504	0
Golden Kopje	3,086,000	7.44	22,959	0.00	0	738	0
Total	5,798,000	6.66	38,636	0.00	0	1,242	0
Total Contained Ounces (resources)						2,434	44,502

1994 GOLD & SILVER PRODUCTION

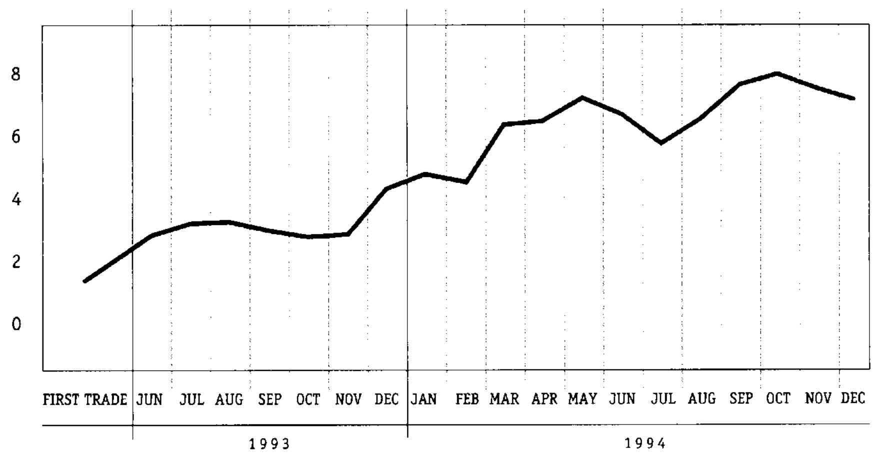
Kinross Gold Corporation's Share at December 31, 1994

Mine	Company's Share of Production (%)	Ore Processed (tonnes)	Grade Gold (g/t)	Grade Silver (g/t)	Gold Production (kg)	Gold Production (oz)	Silver Production (kg)	Silver Production (oz)
Canadian Operations								
Bell Creek	100.00%	30,509	7.10	0.00	208	6,695	0	0
Hoyle Pond	100.00%	102,824	17.00	0.00	1,716	55,170	0	0
U.S. Operations								
Candelaria	100.00%	2,690,710	0.17	53.84	393	12,646	99,749	3,207,000
DeLamar	100.00%	1,114,023	1.09	61.93	1,121	36,025	52,845	1,699,000
Denton-Rawhide (1)	25.26%	1,053,883	1.34	14.23	943	30,334	7,651	246,000
Zimbabwe Operations								
Blanket	100.00%	173,613	4.36	0.00	648	20,848	0	0
Golden Kopje	100.00%	115,481	3.94	0.00	387	12,447	0	0
Total					5,416	174,165	160,245	5,152,000

NOTES:

(1) Kinross owns 24.01% direct interest and a 2.45% royalty interest.

Stock price (Cdn. $)

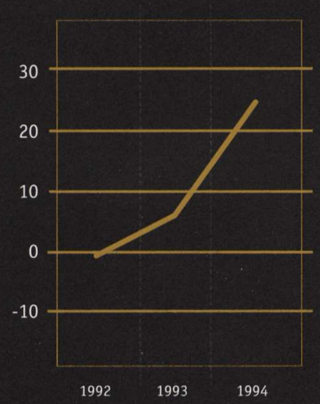


Cash Operating Costs (U.S. $) PER EQUIVALENT OUNCE OF GOLD

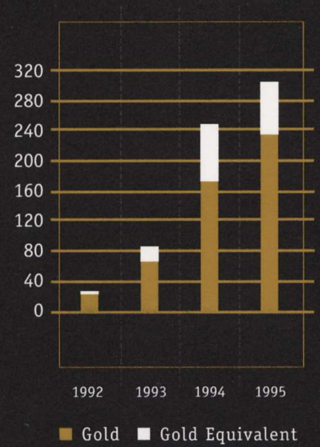
Operating Cash Flow (Cdn. $) MILLIONS

FINANCIAL HIGHLIGHTS

Net Income (Loss) (Cdn. $) MILLIONS



Gold Production (GOLD & GOLD EQUIVALENT) THOUSANDS OF OUNCES



In reviewing the events of 1994, it is not difficult to point to the program that captured the attention of most Kinross investors–the Hoyle Pond mine. Hoyle Pond not only exceeded internal budgets for gold production, cash flow and earnings, it also yielded drilling results that will have a major impact on Kinross over the next decade.

For any mining company to survive the long term, it must have a mine that has the ability to year after year produce significant cash flows and serve as its core asset. Such cash flows allow the company to develop and grow when commodity prices are strong and to support the company when prices are low. Kinross has found that asset in the Hoyle Pond mine. When this mine was purchased in September 1993, the reserves were estimated to be approximately 76,000 ounces. This was expected to keep the operation viable only until the end of 1994. An exploration program, which commenced in January 1994, was designed to develop sufficient reserves to maintain the mine at the existing rate of 50,000 ounces per year. It was thought that the previously identified 1060 Zone could be developed sufficiently to allow this to happen.

As you will see, in some detail later in this report, the results of this program have far exceeded expectations. By the end of 1994, reserves were increased to 578,000 ounces from 126,000 ounces in 1993 and an additional 1,147,000 ounces were added in the drill indicated category.

As it became apparent that the program was clearly developing a major new resource, the goals for Hoyle Pond were adjusted. Initially, the objective was to maintain an annual production rate of 50,000 ounces for a few more years. The results of the drill program, however, justified a major expansion. To achieve this, the Company has made a commitment to invest significant funds to expand the existing mine and mill facilities. In 1995, $25,000,000 in capital expenditures are budgeted with more than $12,000,000 being spent on a hoisting facility and shaft sinking to the 750 metre level. An additional $8,000,000 will be required in 1996 to complete the shaft in the fourth quarter. To accommodate the higher output, the Bell Creek mill is being expanded. In January 1995, 500 tonnes of throughput per day was attained and by the end of 1995, the mill will be treating 1,000 tonnes per day. This will allow the mine to produce at a rate of 88,500 ounces in 1995 and approximately 150,000 ounces in 1996, a level that can be maintained for many years to come. At these higher operating rates, the mine should be a low cost producer with an operating cost of about U.S. $150 per ounce of gold.

The largest capital commitment in 1994 was to the QR deposit in British Columbia, scheduled to be in production in April of this year. This new mine will cost U.S. $13,000,000 and produce 40,000 ounces per year for more than five years. Also in May 1994, the Company announced that it had committed U.S. $5,000,000 to construct a tailings reprocessing plant at the Blanket mine in Zimbabwe. When completed in mid 1995, this expansion should increase annual production by 18,000 ounces per year and generate an additional U.S. $4,500,000 of cash flow from operations annually.

October 17, 1994 was an important milestone for Kinross. As of that date the shares of the Company were listed on the New York Stock Exchange under the symbol "KGC". Management is particularly proud of this accomplishment considering that Kinross was only formed in June 1993. The goal now is to benefit from this high profile listing by increasing investment community awareness of Kinross in the United States.

During the year, 13,700,000 shares were sold in two issues to net the Company $73,700,000. By year end, funds from the new issues and from strong operating results combined to provide the Company with $114,717,000 in cash and $124,810,000 in working capital. These funds will allow Kinross to complete its ambitious expansion plans and to evaluate acquisition opportunities as they arise.

In last year's report the methods of growth by means of expansion, exploration and acquisition were discussed. Some areas of endeavour were more successful than others. This report reviews the progress to date in each of these areas.

Growth by Expansion

The 1994 strategy focussed on the Candelaria and Hoyle Pond mines with the expectation of proving up sufficient ore to delay closure. At DeLamar, Denton-Rawhide and Bell Creek the drilling programs were expected to result in reserve additions that would prolong the mine life at existing production rates.

Results at both the Candelaria and Hoyle Pond mines have far exceeded expectations. The status of both operations has been changed from a virtual shut down situation to a viable mine with a long term future. Expectations of success were met at the Denton-Rawhide and DeLamar mines with reserve additions more than replacing 1994 production. The successful drilling program at Bell Creek was terminated early, as the initial results at Hoyle Pond far overshadowed those at Bell Creek.

The one disappointment last year was the Golden Kopje mine. This operation had been identified as the most likely to succeed, however, the expansion program did not advance as quickly as anticipated. The expectations and development targets were too optimistic and the bureaucratic hurdles associated with the importation of development equipment were underestimated. With these two issues finally behind us, progress is being made on the development drifting and diamond drilling required to establish the database necessary to justify a mine expansion.

Growth by Exploration

When investors consider political risk, they rarely consider the United States as a high risk country. Unfortunately, increases in bureaucratic, legal and environmental roadblocks are making the United States an extremely difficult place in which to permit and operate a mine. While it is reasonable to assume that the situation can change in the near future, Kinross must constantly review all factors that have a bearing on investment decisions. Canada, South America and Southern Africa offer a more appealing environment in which to conduct mine exploration. In Canada, through its investment in Pentland Firth Ventures Ltd., the Company has gained exposure to an aggressive exploration play around the Hoyle Pond mine and in other interesting areas of Ontario. In Central America, the investment in Mirage Resource Corporation and Oracle Minerals Inc. has provided exposure to projects in El Salvador that appear likely to yield a medium-sized mine. Through East Africa Gold Corporation, Kinross has exposure to an extremely exciting group of assets in Tanzania that also have the potential to develop into a producing mine.

Last year's annual report discussed management's intent to conduct grassroots exploration through affiliated junior exploration companies. Kinross will be represented on the boards of these juniors, and while participating in the initial equity financing, it will not necessarily be participating in the senior financing. In all cases, it is the Company's intention to maintain the right to purchase 50% of any deposit found and to become the operator. While moderately successful in setting up this system, it has been difficult to conclude the financing arrangements planned in a timely manner. The plan was to have $10,000,000 raised in 1994. Unfortunately, only $6,500,000 has been raised and consequently the pace of exploration has not met expectations. This was most evident with Pentland Firth Ventures Ltd. The process of getting this company up and running took at least six months longer than expected. It was not fully financed until early in March 1995. Despite the slow start the potential for success still remains. Kinross and affiliated junior exploration companies have excellent projects that should yield interesting results in 1995.

Notwithstanding the policy described above, an advanced stage project in Venezuela was identified last year that warranted Kinross's direct involvement. In May 1994, the Company announced a joint venture with Teck Corporation in the El Callao district of Venezuela. This 50/50 joint venture contemplates a U.S. $25,000,000 commitment by the partnership over a three year period. As of this date, the final agreement has not been completed and work on the project has not begun. The difficulties that the Venezuelan economy experienced in 1994 and the resulting turmoil it created to the structure of the government, has left several issues relating to this contract unresolved. We remain confident that this transaction will be concluded and that the project will move forward in 1995.

Growth by Acquisition

Last year's annual report showed that growth by acquisition was a viable option. It was, however, suggested that with the gold market attracting significantly more funds, the acquisitions were going to be more difficult to conclude. Despite the intense competition, management still felt that Kinross could participate in the acquisition market, a belief that turned out to be unjustified. In 1994, the capital inflow to the industry was just too powerful to keep prices at a reasonable level for acquisition.

During the year, the Company made several announcements of potential acquisitions. In July, a joint offer was made with TVX Gold Inc. to merge both companies with Lac Minerals Ltd. The management teams of both Kinross and TVX strongly believed that the proposal had merit and would have benefited the shareholders of all three companies. The emergence of Barrick as a bidder effectively eliminated any chance of the offer being seriously considered. Three months later Kinross announced its intention to purchase the Ridgeway mine in South Carolina from Kennecott Minerals Company for U.S. $47,000,000. After a diligent review, several differences arose that could not be resolved and it was mutually agreed with Kennecott to terminate negotiations. Other opportunities were evaluated during the year including the divestiture of four former Lac properties by Barrick but in all cases the expectations of the seller could not be met.

Conclusion

While 1994 was unquestionably an exciting and rewarding year for the Company, it did not unfold as expected. This fact, more than any other underlines the need to have a diversified approach to growth, an approach that takes into consideration the changing dynamics of the industry. The Kinross management team will strive to use it's resources to this end. In 1994, considerable resources were dedicated to enhancing the value of the assets that were acquired in 1993. As a result, major capital expenditure programs are underway at Hoyle Pond, QR and Blanket. Operating life has been extended at Candelaria and expansion plans are being formulated for DeLamar. Overall 1995, will be an extremely busy year with considerable time being dedicated to these expansion programs. Management will also focus on the next stage of growth, namely to attain a level of 500,000 ounces of gold equivalent production by the end of 1996. Since current operations should generate over 300,000 ounces of gold and gold equivalent production this year and over 400,000 ounces in 1996, this target is realistic. Clearly, to attain this level by 1996, the Company will have to acquire developing or operating assets. Kinross has the technical, managerial and financial capabilities to achieve its goals.

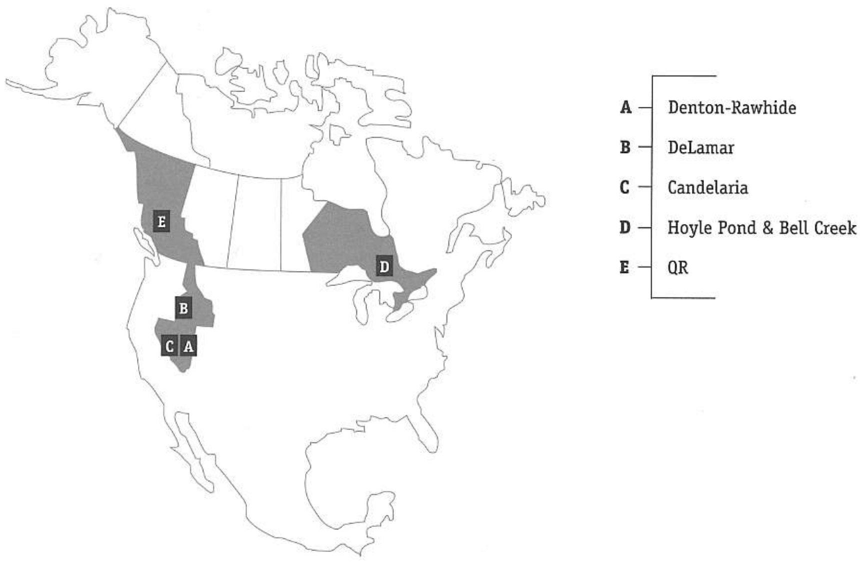
The potential exists to exceed the production targets through exposure to extremely promising exploration projects in El Salvador (Mirage Resource Corporation), Tanzania (East Africa Gold Corporation) and Timmins (Pentland Firth Ventures Ltd.), all of which could develop into operating assets in the next two to three years.

Kinross remains committed to growth through the optimization of its existing operations and through acquisition and exploration. The Company is fortunate to have at least two of the key ingredients to achieve its growth objectives. First, the timely support of its shareholders, who have entrusted management with a substantial treasury, and second, dedicated employees whose extraordinary efforts in 1994 allowed the Company to meet, and in many cases, to greatly exceed its goals.

On behalf of the employees, management and directors, I thank you for your continued support as shareholders and trust that efforts in 1995 will remain worthy of this continued support.

ROBERT M. BUCHAN
Chairman, President & Chief Executive Officer
March 17, 1995

MINING OPERATIONS



Consolidated production results for the Company's first full operating year were excellent. Collectively, output goals for both gold and silver were met or exceeded and production cost objectives were achieved. Safety performance was very good. Environmental and reclamation work progressed steadily.

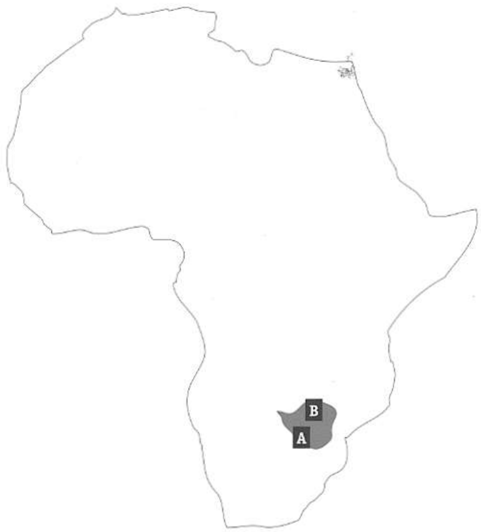
Kinross operated five mines, maintained a joint-venture interest in a sixth and began development of a seventh during the year. Processing plants treated to the Company's account 5,285,000 tonnes of ore and a total of 31,216,000 tonnes of ore, low grade, and waste were mined. The Company's share of gold production totalled 174,165 ounces compared to a budget of 169,938 ounces. This represents a 157% increase over the 67,702 ounces produced in 1993. Silver production for the Company's account was 5,152,000 ounces which represents a 291% increase over the 1,320,000 ounces recovered in 1993. In 1994 the weighted average cost of producing an equivalent ounce of gold was U.S. $233, a U.S. $12 per ounce improvement over 1993. Productivity as measured by ounces produced per man-shift improved at all locations.

Significant effort was directed to reserve development during the year. Throughout the Company 168,300 metres of drilling was completed to increase and upgrade reserves. From this work, gold reserves increased to 2,000,000 ounces or by 30% compared to the end of 1993. The great success story was at the Hoyle Pond mine near Timmins, Ontario, where gold reserves increased by 459% to 578,000 ounces of gold at year end compared to 126,000 ounces at December 31, 1993. Drilling at the other locations replaced reserves mined during the year. At the Candelaria mine near Hawthorne, Nevada, a combination of infill drilling, careful mine planning, and forward selling allowed the transfer of an additional 9,600,000 ounces of silver and 23,000 ounces of gold into a mineable reserve from a mineral resource.

Capital expenditures at all mines for the year totalled $36,010,000. About 70% was allocated to growth related projects and the balance was used to sustain existing production or to improve performance. Approximately one-third of the capital was spent on development of the 1060 Zone and mill expansion at Hoyle Pond, one-third was spent to develop the QR mine in British Columbia and the balance was spread throughout the remaining operations. The 1995 capital budget is $61,200,000. About $25,000,000 will be spent at Hoyle Pond to prepare the 1060 Zone for mining and to begin work necessary to increase mill throughput to approximately 360,000 tonnes per year and annual gold output to approximately 150,000 ounces by year end. Expenditures of $12,000,000 and $7,900,000 are also planned for DeLamar and Candelaria respectively to develop the Stone Cabin and the Northern Belle pits which will add to gold and silver production.

Government entitlement, or permits dictate whether the mining industry and thus Kinross can prosper. New projects require an extensive array of permits before work can begin, and existing operations continue to require amendments and additional permits to meet constantly changing regulations. Dealing with these requirements is absorbing ever increasing amounts of technical, legal and management time; particularly in the United States. Kinross was successful in obtaining the necessary permits to begin construction at the QR site in British Columbia and to undertake significant road and tailings impoundment construction at Hoyle Pond mine in Ontario.

These permit applications underwent extensive government agency review and required a substantial amount of baseline study before being issued. The process was professionally administered, protected the public interest, and moved slowly but steadily



A — Blanket
B — Golden Kopje

forward. Efforts at DeLamar in Idaho, where waste-water discharge permits are required for the existing operation and where development permits are required for the new Stone Cabin mine, have produced limited success. Both sets of permits were expected to be in hand by the third quarter of 1994, however, by year end they had not been received in spite of extreme effort and extensive cooperation with the Federal Environmental Protection Agency. It is essential to the stable operation of the DeLamar complex that these permits be granted before mid 1995, and a concerted effort to obtain them continues.

Kinross now employs 1,384 people worldwide, with 1,041 of them located in Africa where operations by their nature are much more labour intensive than in North America. Employee turnover was 6.8% in 1994, which reflects a stable workforce and the competitive nature of Kinross compensation and benefit programs. Good progress was made during the year to implement consistent human resource policies at all locations.

Job safety improved dramatically at all operations. The North American sites expended 526,437 man hours during the year and incurred three lost time accidents. This record was a dramatic improvement over the six occurrences from the prior year. This change reflects a dedication to accident prevention and hazard awareness by employees at all plant sites and is a clear statement of their achievements.

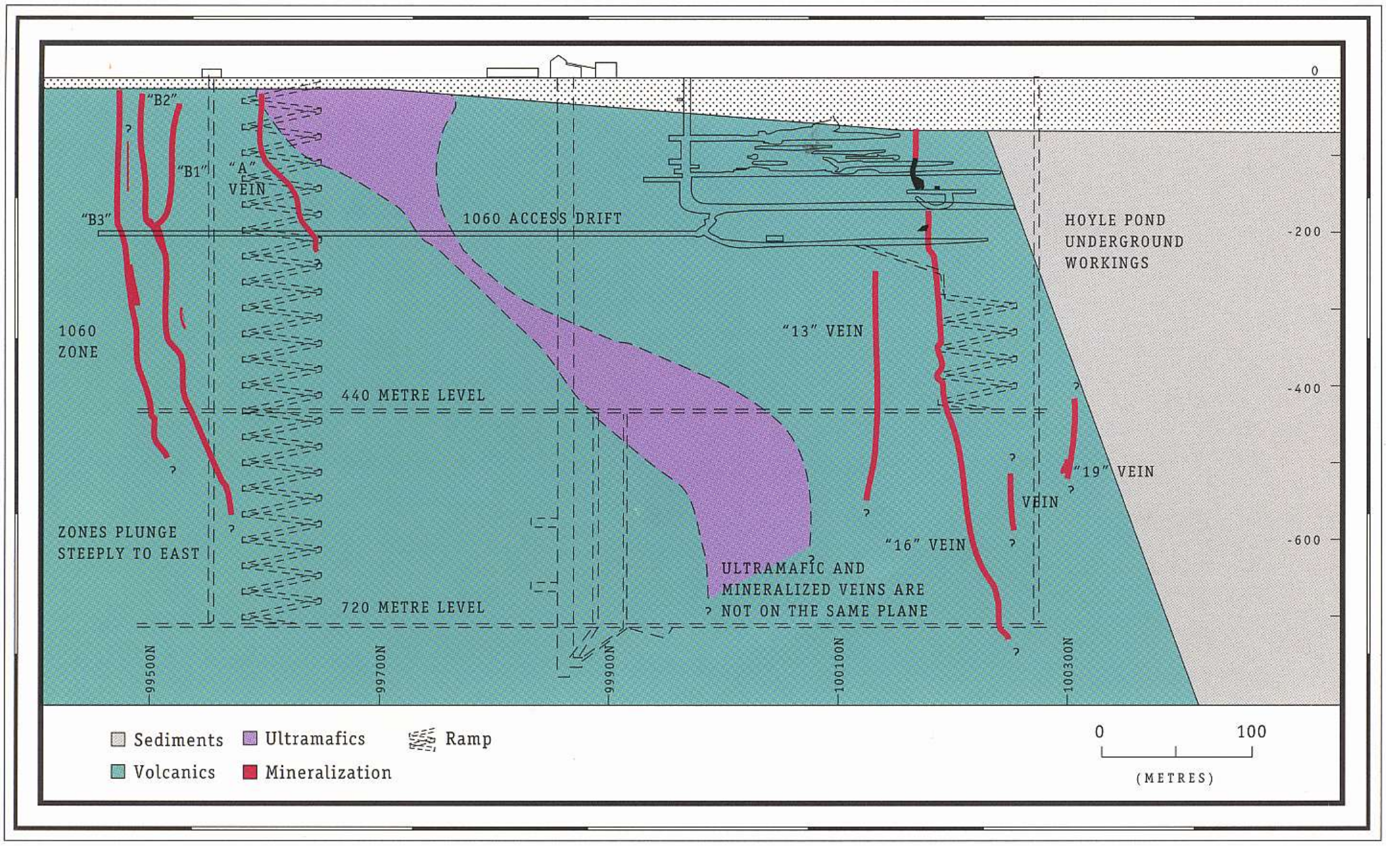
Reclamation was ongoing at most locations. The funded reclamation reserve grew to $3,573,000 by year's end and continues to grow at the rate of $0.65 for each tonne of ore mined. At DeLamar, Candelaria and Denton-Rawhide, backfilling of mined areas with mine waste was undertaken, and the grading and revegetation of abandoned areas continued. Heap rinsing and site reclamation began at the Candelaria operation. Environmental awareness and compliance within permit requirements are of the highest priority to Kinross. To help maintain this focus, a program of reporting and outside auditing has been introduced.

Kinross's business plan for 1995 is ambitious but achievable. It is specifically directed to increasing output from existing mines by means of prudent capital expenditure's and by constantly seeking more cost-effective methods. The emphasis on health, safety and environmental excellence will continue.

Kinross is scheduled to produce 235,950 ounces of gold and 5,076,000 ounces of silver during 1995. This represents a 35% increase in gold and an unchanged output in silver compared to 1994. Start-up of the QR mine together with substantial expansions at the Hoyle Pond, DeLamar and Candelaria mines will be implemented to achieve this objective.

ARTHUR H. DITTO
Executive Vice-President & Chief Operating Officer

HOYLE POND 1060 ZONE SCHEMATIC LONGITUDINAL SECTION



CANADA

HOYLE POND MINE

The Hoyle Pond mine, located 18 kilometres northeast of Timmins, Ontario, is a high-grade, narrow vein underground gold mine. Between startup in 1985 and December 31, 1994, the mine produced 540,515 ounces of gold from 955,114 tonnes at an average grade of 17.6 grams of gold per tonne. Most of the gold was produced from the Main Zone above the 200 metre level. When Kinross acquired Hoyle Pond on September 30, 1993, the remaining delineated resource was 76,000 ounces. By December 31, 1993, the reserve was increased to 126,000 ounces. As of December 31, 1994, reserves in the proven, probable and possible categories were 578,000 ounces in the Main Zone. The drill indicated resources in the 1060 Zone exceeded one million ounces.

The Hoyle Pond mine and the Bell Creek mill operated for the full 12 months of 1994. During the first quarter of the year, the mill treated 30,500 tonnes of ore directly from the Bell Creek mine to eliminate the historical problems associated with the handling of frozen Hoyle Pond ore over the severe winter months. Reserves at the Bell Creek mine at year end were 61,000 tonnes with an average grade of 8.3 grams of gold per tonne.

Total production from Bell Creek and Hoyle Pond in 1994 was 61,865 ounces at an average cost of U.S. $199 per ounce. This compared to 47,092 ounces at a cost of U.S. $218 per ounce in 1993, with a minimal contribution from Bell Creek. In 1994, Hoyle Pond produced 55,170 ounces at U.S. $187 per ounce, including 1,795 ounces from the treatment of 1060 Zone development ore.

In 1995, 88,500 ounces of gold are scheduled for production at an average cost of U.S. $185 per ounce. Production forecasts are based on the reserve grade that has historically been two or three grams lower than the grade actually milled. Mine and mill facilities will be expanded in 1995 to meet production targets of about 150,000 ounces per year commencing in 1996 with an operating cost target of about U.S. $150 per ounce.

There were two other significant achievements in 1994. The Timmins operations completed 1994 without a lost time accident. Productivity of stope miners increased from 9.8 tonnes per man shift in 1993 to 18.1 in 1994.

Exploration and Mineral Resources

Exploration capital in 1994 was concentrated on the Bell Creek mine, the Hoyle Pond mine, and prospective areas near the Hoyle Pond mine, particularly the 1060 Zone and the 950 Zone.

Initial results at Bell Creek were encouraging and indicated the presence of a resource with a potential grade of 6-8 grams of gold per tonne. This was quickly overshadowed by results from the 1060 Zone. Exploration of Bell Creek was halted very early in the year and all efforts were diverted to the 1060 Zone where more than 1,000,000 ounces of gold were delineated above the 550 metre level by the end of the first quarter.

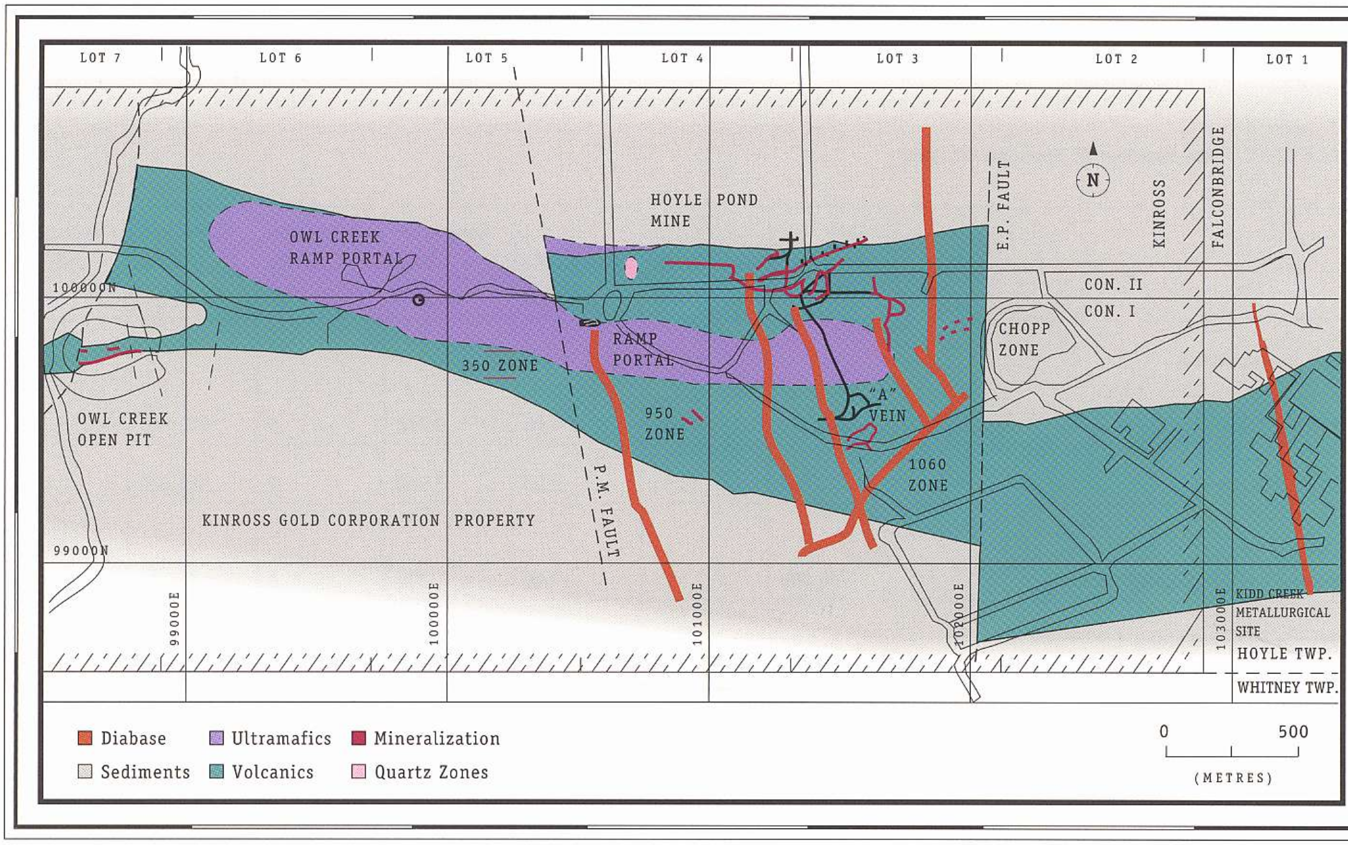
HOYLE POND Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating Areas	241,000	15.55	0.00	3,748	0	121,000	0
Total Proven Ore	241,000	15.55	0.00	3,748	0	121,000	0
PROBABLE ORE							
Operating and Development Areas	65,000	7.91	0.00	510	0	16,000	0
PROVEN + PROBABLE ORE							
Total	306,000	13.92	0.00	4,258	0	137,000	0
POSSIBLE ORE							
Total	987,000	13.90	0.00	13,720	0	441,000	0
Total Proven, Probable and Possible Ore	1,293,000	13.90	0.00	17,978	0	578,000	0
(Inplace, diluted)							
DRILL INDICATED RESOURCES	2,786,000	12.80	0.00	35,661	0	1,147,000	0

The 1060 Zone was identified as two separate horizons. The "B" Horizon contains two or three parallel, vertical, vein-like structures with average widths of three metres each. Twenty percent of the gold in this structure is finely disseminated in pyrite and/or arsenopyrite and yields poor recoveries in a cyanide leach. This fine gold can be successfully recovered by flotation of either the heads or tails yielding a concentrate that can be viably processed by either smelting, bacterial leaching, or pressure oxidation. By April 1994, drilling delineated a resource with 380,700 ounces of gold above the 200 metre level and an additional 665,700 ounces of gold between the 200 and 550 metre levels at an average grade of 15 grams per tonne in the "B" Horizon. Diamond drilling on a 12.5 by 20 metre grid, completed in July, confirmed the initial resource figure to the 125 metre level. By the end of 1994, drilling completed to the 200 metre level confirmed a resource of 383,000 ounces with an in situ grade of 14.2 grams of gold per tonne. Some in-fill drilling has been completed to the 300 metre level. Between the 200 and 300 metre levels the three "vein" system merges into two veins and then diverges back into three veins below the 300 metre level. Indications are that the total gold content between the 200 and 550 metre levels will be very

The site of the new shaft at the Hoyle Pond mine is in the foreground with the mine backfill and compressed air facilities adjacent. The present mine portal is in the upper left hand corner. The tailings compound in the central background is part of the Kidd Creek metallurgical site.

HOYLE POND MINE AREA SURFACE PLAN



similar to the figures projected from the preliminary drilling. The "A" Horizon of the 1060 Zone consists of at least three quartz veins which may be offshoots from the Main Zone. To date, 101,000 ounces of gold have been identified in this system at an average geological grade of 15 grams per tonne based on limited widely spaced diamond drilling and some drifting on one of the quartz veins. Over 2.1 kilometres of development were completed in the 1060 Zone during 1994.

During 1994, reserves were also increased by drifting, drilling and raising in the Main Zone. A total of 64 holes were drilled from surface and underground into the 7 and 8 vein system that delineated a geological resource of 117,000 ounces at 13 grams per tonne. Drilling of the strike and depth extensions of the 16, 17 and 18 veins added another 150,000 ounces that will require confirmation by drifting and raising before this resource can be added to reserves. Reserves in all categories were expanded to 321,000 ounces of gold above the 200 metre level and to 257,000 ounces below the 200 metre level. Exploration and development started before year end for the 200-300 metre level block. The Main Zone remains fully open at depth and to the west.

The 950 Zone, located 700 metres west of the 1060 Zone, appears to top out at a depth of 200 metres. Drilling has been suspended until suitable access is available to establish underground drill stations.

During the years 1995, 1996 and 1997, ore will be mined from the Main and 1060 Zones above the 200 metre level using two ramps. After 1997, ore will be hoisted through the shaft facilities currently under construction.

Mine and Mill Expansion

In preparation for the expansion to a production target of 150,000 ounces of gold per year, a road was constructed between the Hoyle Pond mine and the Bell Creek mill. A new tailings area was permitted and constructed, mine office and dry facilities were expanded and J.S. Redpath Limited was awarded a $13,500,000 contract to sink a shaft to the 750 metre level. The mill was expanded to 500 tonnes per day and construction was started to increase mill throughput to 1,000 tonnes per day. The new private road will reduce the ore haulage distance from 18 kilometres on public roads to five kilometres and return the $540,000 of capital within one year.

As of December 31, 1994, the remaining gold resource above the 200 metre level in all categories was 805,100 ounces including 484,000 ounces in the "A" and "B" Horizons of the 1060 Zone. This resource is more than adequate to meet the production requirements for the next three years by ramp mining. Commencing in 1998, ore will be hoisted from the 200, 440 and the 720 metre levels through a new shaft. A new four compartment shaft will be sunk to the 750 metre level with major rail haulage levels at the 440 and the 720 metre levels to service both ore bodies. Hoisting capacity will be 285 tonnes per hour from the 720 metre level using a

10 foot diameter hoist equipped with two 700 horsepower motors. The hoisting facilities and shaft sinking will be completed by mid-1996 and the following year will be devoted to mine development in preparation for mining and hoisting ore in 1998.

Shrinkage stoping will be used to mine the "A" Horizon. Cut and fill stoping will continue to be the mining method in the Main Zone and mining of the "B" Horizon will be 50% longhole, 25% cut and fill, and 25% shrinkage. The annual distribution of ore from the three areas will eventually be 180,000 tonnes from the Main Zone, 150,000 tonnes from the "B" Horizon and 30,000 tonnes from the "A" Horizon. Average mill feed grade is projected at 14.1 grams of gold per tonne.

Expansion of the mill facilities was started in August 1994 based on the current practices of gravity separation with a Knelson concentration, cyanide leach and Merrill-Crowe gold recovery. A flotation section will be added to recover refractory sulphides. Major equipment has been designed to handle 1,300-1,500 tonnes per day. Total capital costs including flotation facilities are estimated at $7,000,000 to $8,000,000. The average total gold recovery is projected at 95.5%.

Since filter capacity was a bottle neck in the mill, four new filters were installed in January 1995. Only two filters are required to treat 500 tonnes per day. Crushing, screening and grinding equipment was ordered in 1994 and most of it arrived on site during the first quarter of 1995. A larger thickener and additional leach tanks were acquired in January 1995 for installation by mid year. A new tailings line was installed in 1994.

The capacity of the surface ore bin will be increased to a live load of about 3,000 tonnes from the current 300 tonnes to eliminate gold losses and ore freezing associated with handling of the ore through surface stock piles. In 1994 concrete storage pads were installed at both the mine and the mill.

The refractory portion of the "B" Horizon will be recovered by column flotation and treated at a smelter until other methods have been more fully investigated and prove to be more attractive.

When the mine and mill expansion is complete, both facilities will be capable of handling 1,300 to 1,500 tonnes of ore daily in anticipation of continued success of ongoing exploration programs in the Hoyle Pond area.

QR MINE

At the QR Mine, located about 70 kilometres southeast of Quesnel, British Columbia, site construction activities commenced on July 1, 1994 after the acquisition of critical operating permits and reclamation plan approval. Kinross owns 100% of the project.

Construction activities are proceeding on schedule for mill startup in April 1995. Contract mining activities have completed the pioneering work required for open-pit operation and have established a stockpile of ore for initial mill operations. Mining has been temporarily suspended for the winter, and will resume in time to coincide with the start-up of mill operations.

QR MINE Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating Areas	132,000	4.32	0.00	570	0	18,000	0
Stockpiles	46,000	2.72	0.00	124	0	4,000	0
Total Proven Ore (including stockpiles)	178,000	3.90	0.00	694	0	22,000	0
PROBABLE ORE							
Operating and Development Areas	1,177,000	4.79	0.00	5,641	0	181,000	0
PROVEN + PROBABLE ORE (INCLUDING STOCKPILES)							
Total	1,355,000	4.68	0.00	6,335	0	204,000	0
POSSIBLE ORE							
Total	218,000	4.23	0.00	922	0	30,000	0
Total Proven, Probable and Possible Ore	1,573,000	4.62	0.00	7,257	0	234,000	0

Final engineering activities were initiated in May when it was decided to advance the project to production. Approval of the required reclamation plan came from the British Columbia Ministry of Energy, Mines, and Petroleum Resources Permitting Branch in June.

The conventional Carbon-In-Pulp mill being constructed is designed to treat 800 tonnes of ore per day, initially from a small open-pit operation and eventually from planned underground workings. Used mill equipment was purchased where appropriate to minimize capital expenditures. Based on present reserves, the productive life of the mine will be five calendar years. Open-pit mining will be conducted by a contractor over the summer months and ore will be stockpiled for winter processing. Underground mining operations will be phased in during year three and will supply all of the feed in years four and five.

In the last half of 1994, clearing and grubbing of the mine site, salvaging of top soil, construction of the first stage tailings impoundment and fresh water ponds, overburden stripping and initial mining in the pit were completed. Salvageable timber was removed in compliance with governmental regulations. A road was completed to provide access to fresh water from a nearby lake.

Initial mining in the open pit encountered ore grade mineralization sooner than anticipated. This resulted in a nominal increase in reserves. All ore grade material has been stockpiled for treatment when the mill is started. On site engineering is being completed to further optimize the pit design and refine mining procedures in anticipation of the resumption of mining in the spring of 1995. Mining will be resumed in time to coincide with the anticipated mill startup in April.


QR mill under construction

Production from the Main Zone in the pit will produce an anticipated 25,250 ounces of gold during 1995. Production in subsequent years will be at an average rate of 40,000 ounces per year.

Exploration Potential

The QR deposit consists of three separate gold mineralized zones initially discovered in 1977. The deposit has many of the characteristics of a retrograde skarn deposit contained within volcaniclastics of basaltic origin. The three lenses making up the deposit are roughly conformable to the enclosing volcanic sediments, but their shape and position are complicated by overlying structural and metamorphic patterns. An understanding of the formation of the deposit and the complexities of the overlying geologic structure hold the key to discovering new mineralized areas.

The potential for discovering additional deposits is good. Limited drilling immediately east of the planned pit limits, completed in February 1995 to aid final pit design and optimization, has identified an area that contains gold mineralization. It seems to be a structurally offset portion of the Main Zone. The area is currently being evaluated and may be included in the pit excavation during 1995. Additional areas, including one area to the north of the Main Zone, that may potentially contain additional ore, are being pinpointed through analysis of the offset of structural features that appear to truncate and displace the principal ore zones. Zones of significant potential will be tested during the year.

All major operating permits and approvals were received prior to initiation of site disturbing activities. Final approval of the reclamation plan was received in June 1994. An appeal of the effluent discharge permit was reviewed by the Ministry of Environment, Lands, and Parks. The existing permit was upheld with only minor amendment. Although the tailings facility has been designed for zero discharge during the mine's operation, the permit allows for the contingency discharge of treated solutions in case of an accumulation of excess water due to adverse weather conditions. The discharge of the treated solutions, where cyanide has been neutralized, would be allowed only after Ministry approval. Surface drainage controls have been installed around the site, with siltation control structures where appropriate to reduce the mine's impact to the surrounding environment. An estimated quantity of more than 200,000 cubic metres of top soil and peat has been salvaged from the mine site and stored for future use for reclamation activities.

U.S.A.

CANDELARIA MINE

The 100% owned Candelaria mine is an open-pit, heap-leach operation located 215 kilometres southeast of Reno, Nevada. In 1994, under Kinross's first full year of management, the operation produced more than 3,207,000 ounces of silver and 12,646 ounces of gold from a total of 2,700,000 tonnes of newly mined and processed ore. Budgeted silver production was exceeded despite start-up problems associated with process plant rehabilitation and expansion in the first quarter and major repairs to the primary crusher during the third quarter. The first full year of operation for the mine after mining operations were suspended in October 1990 by the previous owner was 1994.

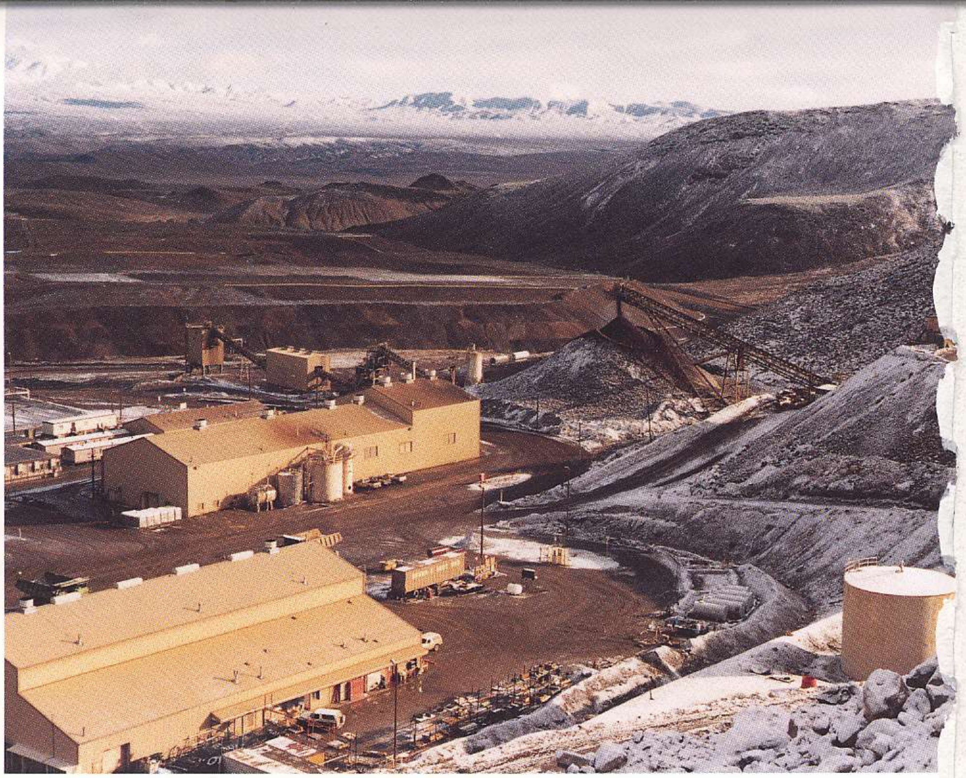
CANDELARIA MINE Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating Areas	9,194,000	0.14	49.57	1,274	455,770	41,000	14,653,000
Stockpiles	95,000	0.10	46.80	8	4,154	300	134,000
Total Proven Ore (including stockpiles)	9,289,000	0.14	49.51	1,282	459,925	41,300	14,787,000
PROBABLE ORE							
Total Probable Ore	379,000	0.14	51.09	54	19,372	2,000	623,000
PROVEN + PROBABLE ORE (INCLUDING STOCKPILES)	9,668,000	0.14	49.58	1,336	479,297	43,000	15,410,000
DRILL INDICATED RESOURCES	6,148,000	0.23	225.15	1,398	1,384,196	45,000	44,502,000

In 1994, mine staff and technical consultants completed a concentrated effort of development drilling, mine planning and evaluation. The results of the effort yielded a revised mine plan that allowed for 9,487,000 tonnes to be advanced from a resource classification to a surface mineable reserve at the Northern Belle deposit. The added reserve contains more than 15,000,000 ounces of silver and 42,000 ounces of gold. The Northern Belle reserve will extend the mine life by more than three years. In October, the mining contractor initiated stripping.

During the year, the mining contractor handled more than 12,700,000 tonnes of ore and waste, up from 7,800,000 tonnes originally budgeted. The principal reason for the increased material movement was the opening of the Northern Belle pit. To facilitate the mining and prestripping of the Northern Belle deposit, the mining rate increased to nearly 1.8 million tonnes per month by year end. The cooperative effort of the mining contractor allowed for complete mobilization for the expanded project before year end.

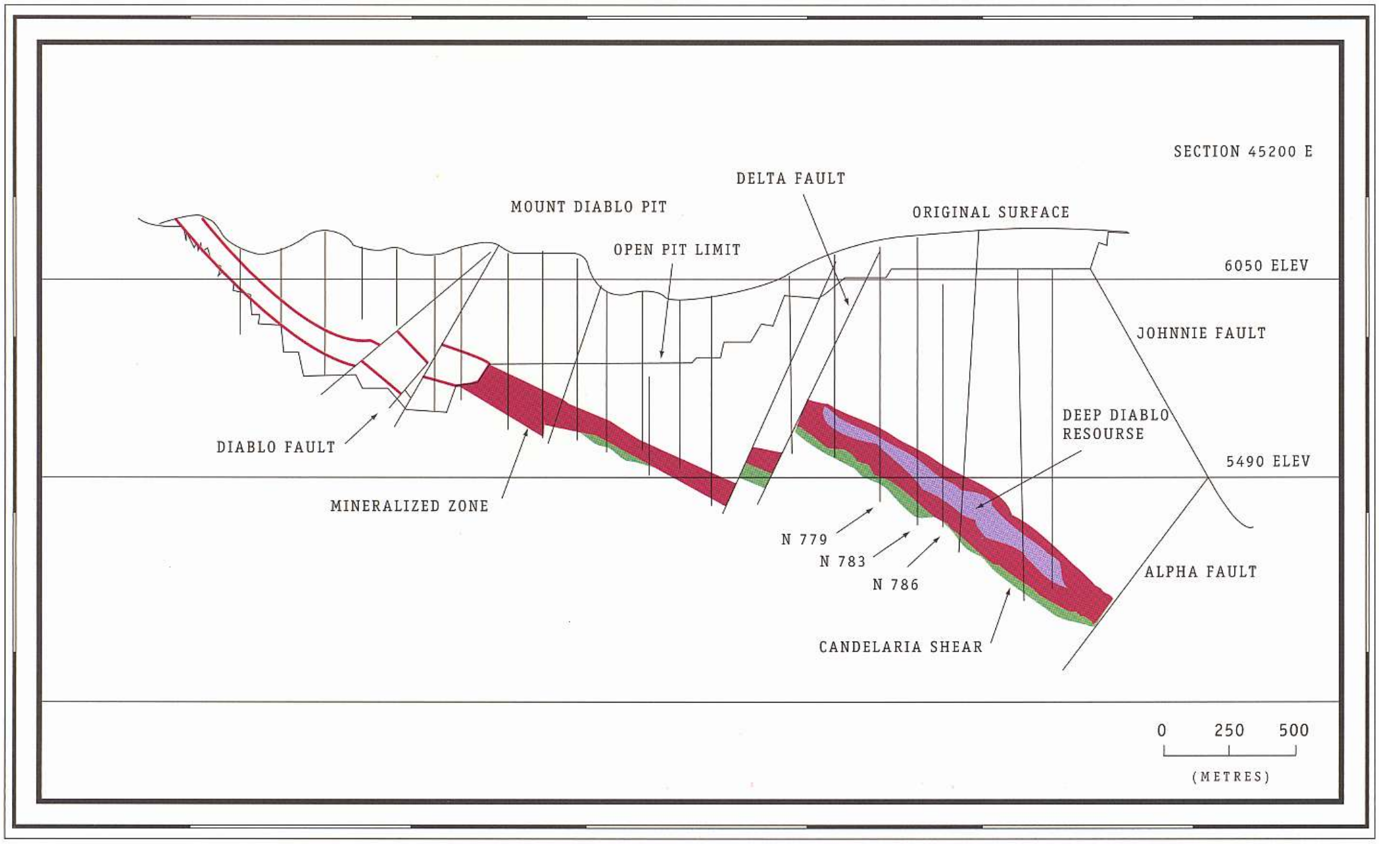
Operating costs during 1994 were U.S. $3.80 per equivalent silver ounce, or approximately U.S. $276 per equivalent gold ounce. Expansion of the active leach pad area will commence in early 1995; permitting and design of the pad are complete. During 1995, mining of ore will be scheduled from both Mount Diablo, the principal source of ore in 1994, and the Northern Belle. Mine plans call for the completion of the Mount Diablo pit by year's end. The balance of surface mineable reserves will come from the Northern Belle pit. Silver production will be reduced to 2,822,000 ounces in 1995 reflecting the high initial stripping requirements of the deposit and the lower grade near surface ore. Silver production in subsequent years is anticipated to rise. Projected operating cost in 1995 per equivalent ounce of silver is U.S. $4.26 or approximately U.S. $307 per equivalent gold ounce.



Candelaria plant site

Evaluation of future underground mineable reserves is continuing below and down dip from the final economic limits of the Mount Diablo pit. This area has been identified as Deep Diablo. Drilling was initiated in the spring of 1994. About 5,400 metres of drilling in

CANDELARIA MINE CROSS SECTION



the Deep Diablo and surrounding areas were completed during the year. Metallurgical testwork was started and is still continuing, to determine the optimum process to treat the Deep Diablo material. Average indicated silver recovery, using conventional flotation and cyanidation methods, is expected to be more than 75%. The quantity of material available for a moderate sized underground operation is estimated to be nearly six million tonnes with an average grade of 0.23 grams per tonne of gold and more than 232 grams of silver per tonne. Design criteria and environmental baseline data are being developed and a feasibility study will be completed by late 1995. Economic recovery of this mineralization could extend the life of the mine by more than ten years, depending on the final mining and milling rates selected.

Environmental responsibility remains a priority at Candelaria. The Georgine pit was mined out and fully reclaimed by September 1994. Contouring and seeding of 26 hectares of reclaimed land was completed. Rinsing of residual cyanide from leached heaps with fresh water is underway and will continue through the life of the project. Final detoxification of the heaps can be accomplished rapidly at the completion of mining and leaching. The angle of the side slopes on decommissioned heaps will be decreased for ease of final metal recovery and ongoing reclamation. An alternative fresh water pond was constructed in 1994 to help mitigate the potential for waterfowl mortalities.

Glen Silver open-pit

DELAMAR MINE

The Delamar mine is an open-pit operation located in the southwest corner of Idaho about 150 kilometres from Boise. Gold and silver produced for the year was 36,025 ounces and 1,699,000 ounces respectively.

DeLamar consists of three active pits. Rock is drilled and blasted then transported in 85-ton trucks. Reject rock is used for tailings dam construction or as backfill in the mined-out pits as part of ongoing reclamation. Ore is ground in a semi-autogenous mill and two ball mills before leaching and precious metal recovery with the Merrill-Crowe system. A 98% pure doré bullion is produced on site.

This year marked the first full year of operations under Kinross management. By year's end, the employees had set tonnage records for both ore mined and ore milled which exceeded the property's previous eighteen years of operation. Mine ore production of 1,246,000 tonnes exceeded the previous year by 5%, while unit costs were reduced by 21% from 1993 costs. Mill production of 1,114,000 tonnes was 14% higher than the previous year while unit costs were reduced by over 32%. The productivity increases were accomplished while overall site safety greatly improved compared to previous years.

In 1995, Delamar is scheduled to produce 35,200 ounces of gold and 2,044,000 ounces of silver. This higher metal output will in part be accomplished by improving the grinding and classification circuits in the mill, which is expected to increase throughput by 10% over 1994 levels while maintaining recoveries of 93% for gold and 78% for silver. Ore production from the mine will also increase during the year. The Glen Silver pit will continue to be the primary source of ore during the year while the Stone Cabin pits are being developed.

An exploration program of 117 drill holes totalling 10,958 metres was completed in the DeLamar pit areas in 1994. This drilling proved additional reserves that will allow for the expansion of both the Glen Silver and Sommercamp pits.

Permitting issues slowed the development of the Stone Cabin deposit. Haul road construction and pit development will begin when final permits are received, early in 1995.

In 1995, a total of 5,182 metres of exploration drilling is scheduled. This will consist of additional drilling within the current active working areas and continued evaluation of regional areas of interest.

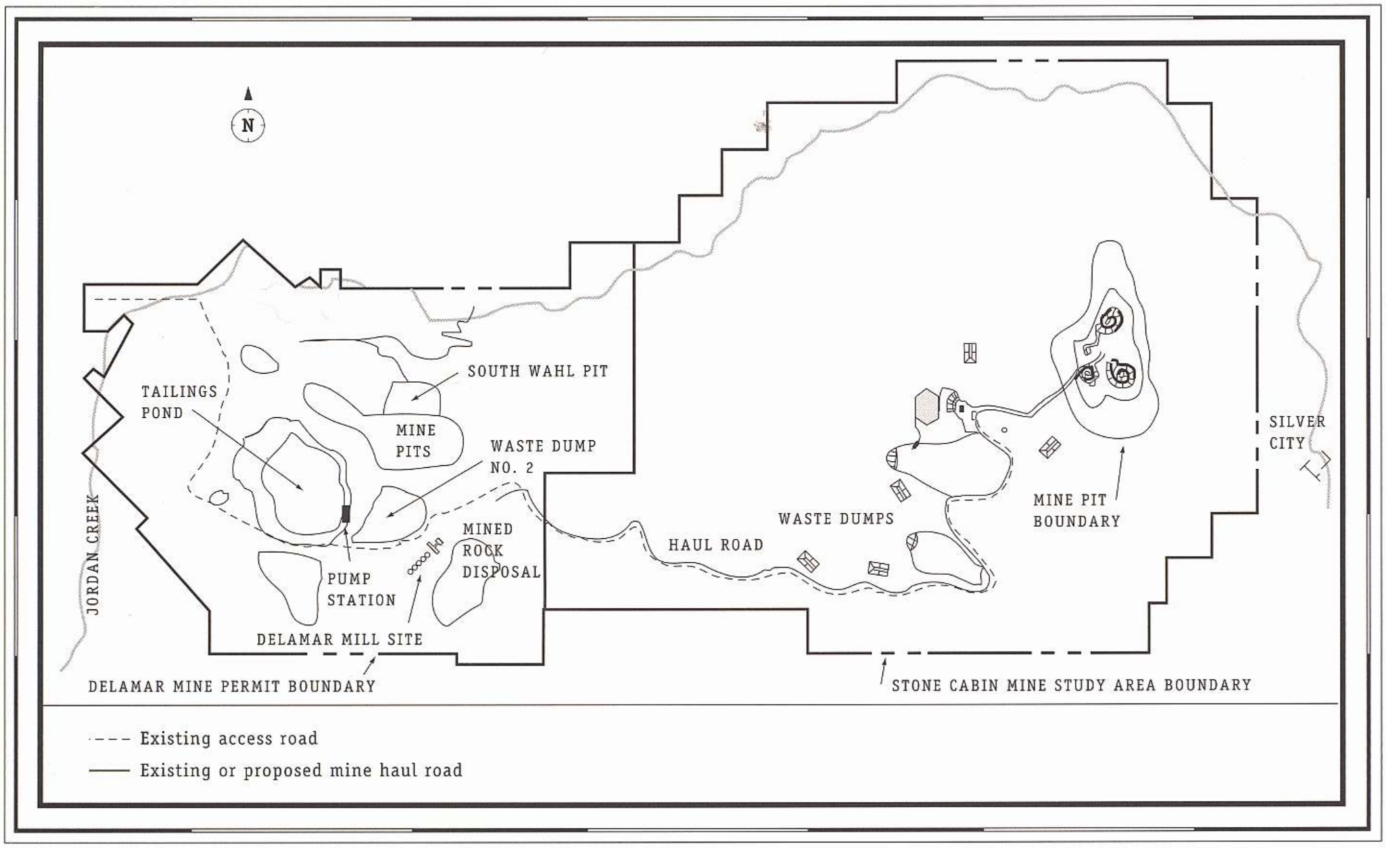
During the year 16 hectares of roadways, waste rock and topsoil piles were reclaimed. The operating water balance at the operation has been modified to decrease the amount of fresh water introduced into the processing circuit. Conservation of water in the arid environment is an important environmental consideration. In 1995 reclamation efforts will focus on final closure of the waste dumps in the DeLamar area.

A significant effort continued throughout the year to obtain the necessary permits to allow for the development and mining of the Stone Cabin deposit. This deposit is located about eight kilometres from the existing DeLamar mill. The Environmental Impact Statement has been finalized by the Bureau of Land Management. The required National Pollution Discharge Elimination System effluent discharge permit is still under review by the Environmental Protection Agency ("EPA"). This permit review is taking much longer than anticipated. A concentrated effort is focussed towards resolving all outstanding issues with the EPA.

DELAMAR MINE Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating areas							
Mill Ore	7,429,000	1.88	39.95	13,961	296,763	449,000	9,541,000
Lean Ore	2,246,000	0.66	21.35	1,474	47,945	47,000	1,542,000
Stockpiles							
Mill Ore	451,000	0.62	69.65	281	31,412	10,000	1,011,000
Lean Ore	1,288,000	0.56	43.25	715	55,700	23,000	1,791,000
Total Proven Ore (including stockpiles)							
Mill Ore	7,880,000	1.81	41.65	14,242	328,175	459,000	10,552,000
Lean Ore	3,534,000	0.62	29.33	2,189	103,645	70,000	3,333,000
PROBABLE ORE							
Operating areas							
Mill Ore	1,465,000	1.20	47.97	1,754	70,281	56,000	2,258,000
Lean Ore	545,000	0.63	21.06	344	11,480	10,000	369,000
PROVEN + PROBABLE ORE (INCLUDING STOCKPILES)							
Mill Ore	9,345,000	1.71	42.64	15,996	398,456	515,000	12,810,000
Lean Ore	4,079,000	0.62	28.22	2,533	115,125	80,000	3,702,000
TOTAL PROVEN + PROBABLE ORE (INCLUDING STOCKPILES)	13,424,000	1.38	38.26	18,529	513,581	595,000	16,512,000
POSSIBLE ORE							
Mill Ore	430,000	0.70	90.69	303	38,995	10,000	1,252,000
Lean Ore	343,000	0.58	22.05	199	7,564	6,000	243,000
TOTAL POSSIBLE	773,000	0.65	60.23	502	46,554	16,000	1,495,000
TOTAL PROVEN, PROBABLE + POSSIBLE							
Mill Ore	9,775,000	1.67	44.75	16,299	437,451	525,000	14,062,000
Lean Ore	4,422,000	0.62	27.74	2,732	122,689	86,000	3,945,000
TOTAL CONTAINED OUNCES (PROVEN, PROBABLE + POSSIBLE)						611,000	18,007,000

DELAMAR MINE SITE MAP



DENTON-RAWHIDE MINE

During 1994, the Denton-Rawhide mine, a heap-leach gold mine located about 190 kilometres southeast of Reno, Nevada, produced a total of 120,361 ounces of gold and 978,000 ounces of silver. The Company's 24.01% direct and 2.45% royalty interest (or a 25.26% effective interest) returned 30,334 ounces of gold, a 24% increase from 1993, and 246,000 ounces of silver.

A surge pile and reclaim system were added to the materials handling and crushing system. The installation of the surge pile between the primary and the secondary and tertiary crushers essentially disconnected the direct link between the two crushing systems allowing each to operate independently. The total capacity of the crushing plant was increased to a nominal 4,536,000 tonnes per year capacity.

Additional loading and hauling capacity was added to the mining fleet through the purchase of an additional truck and an additional front end loader. The increased hauling capacity is to allow for the planned increase in the stripping ratio as the pit continues to expand.

The operation mined 15,100,000 tonnes which was 18.1% more than planned. Cost per tonne of material moved was U.S. $0.73 per tonne compared to a budget of U.S. $0.80 per tonne.

Aerial view of Denton-Rawhide Mine

DENTON-RAWHIDE MINE Ore Reserves at December 31, 1994

Kinross's share of reserves is 25.26%

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Stockpiles							
Heap Ore	120,000	3.37	23.77	404	2,853	13,000	92,000
Lean Ore	1,394,000	0.49	9.59	682	13,364	22,000	430,000
Operating areas							
Heap Ore	5,053,000	1.32	12.54	6,678	63,388	215,000	2,038,000
Lean Ore	3,369,000	0.44	9.26	1,481	31,212	48,000	1,003,000
PROVEN (INCLUDING STOCKPILES)							
Heap Ore	5,173,000	1.37	12.80	7,082	66,241	228,000	2,130,000
Lean Ore	4,763,000	0.45	9.36	2,163	44,576	70,000	1,433,000
TOTAL PROVEN (INCLUDING STOCKPILES)	9,936,000	0.93	11.15	9,245	110,817	298,000	3,563,000
POSSIBLE ORE							
Heap Ore	16,000	1.23	not estimated	22	not estimated	700	not estimated
Lean Ore	9,000	0.44	not estimated	4	not estimated	100	not estimated
TOTAL POSSIBLE	25,000	1.04		26		800	0
TOTAL PROVEN + POSSIBLE ORE							
Mill Ore	5,189,000	1.37	12.80	7,104	66,240	228,700	2,130,000
Lean Ore	4,772,000	0.44	9.36	2,167	44,576	70,100	1,433,000
TOTAL CONTAINED OUNCES (PROVEN + POSSIBLE)						298,800	3,563,000

The quantity of ore crushed was nominally below budgeted level due to the longer than anticipated time to construct, debug, and modify items related to the new surge pile installation. Record crushing productivity of 644 tonnes per hour was achieved by the modified system at year's end.

New ore was placed on the Phase IV expansion of the leach pads. Low grade solution from the Phase I, II, and III heaps was collected and distributed to the new ore on Phase IV thereby enriching pregnant solution grades. The aerial extent of the new and old phases of heap under leach, improvements in the flow capacity of the Merrill Crowe treatment plant, plus the enriched solution grades all contributed to improved apparent gold recovery rates. The improved recovery was the principal contributor to the better than budgeted gold production level.

For the calendar year of 1994, a total of 66,579 metres of reverse circulation drilling in 402 holes was completed. Efforts have emphasized delineation on the Hooligan Hill, sulfide targets, the North Forty deposit, and the area north of Hooligan Hill. All of these prospective areas are immediately adjacent to the planned limits of the Murray Hill pit.

Ongoing reclamation efforts were directed at the recontouring and reseeding of inactive waste dumps. Potentially acid generating waste rock was encapsulated in waste rock with high acid neutralizing potential. Efforts continued to ensure that wildlife is preserved and shielded from mining and processing operations.

Starting in February, a major portion of the waste rock excavated from the active Murray Hill pit was placed back into the mined out Crazy Hill pit. Placement of waste from the active operation into the Crazy Hill pit will continue until the pit is completely backfilled.

The AR shaft at the Golden Kopje Mine

ZIMBABWE

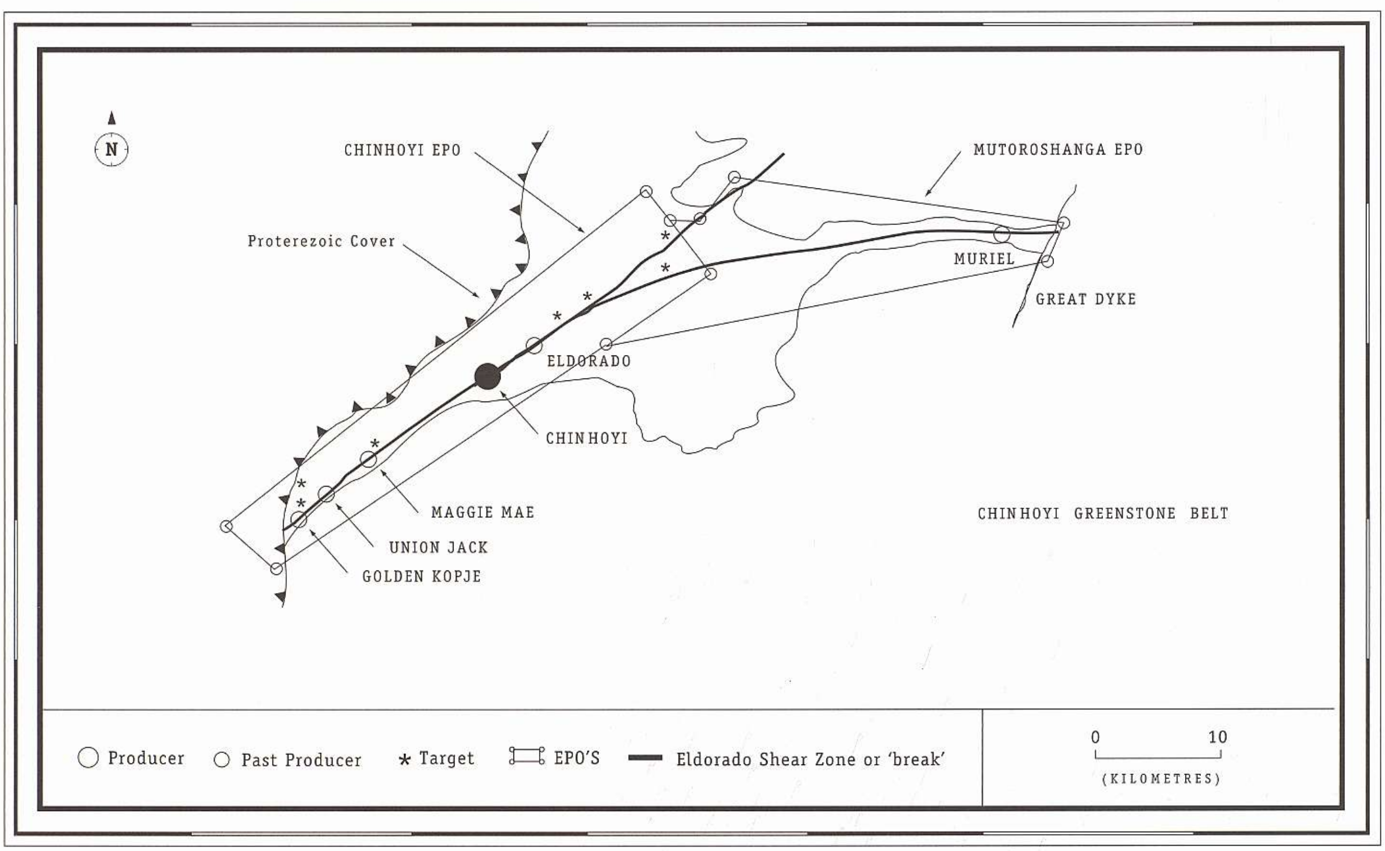
GOLDEN KOPJE MINE

The Golden Kopje mine is located 100 kilometres northwest of Harare near the town of Chinhoyi. In 1994, Golden Kopje produced a record 12,447 ounces of gold at a cost of U.S. $295 per ounce, compared to 8,547 ounces at a cost of U.S. $281 per ounce in 1993. Although unit operating costs of U.S. $30 per tonne were close to the budgeted figure of U.S. $29.10 per tonne the cost per ounce and the number of ounces fell short of expectations due to a combination of lower head grades and delays in the start-up of the expansion project which increased capacity from 200 to 400 tonnes per day. The new plant, originally scheduled to start-up in March, did not reach capacity until mid year due to commissioning problems with the hoisting facility, a 500 metre conveyor between the shaft and the mill and several pieces of mill equipment. This mine is scheduled to produce approximately 20,000 ounces of gold in 1995. Total contained ounces of gold in mineral inventory decreased over the year by 10,300 ounces to 816,700 ounces.

The exploration drift from the Main Zone to access the North Zone on the 250 metre level got off to a slow start. However by year end, 480 of the 700 metres were complete and the daily advance rate was about four metres. Diamond drilling is scheduled to start in the first quarter of 1995 using an electric-hydraulic diamond drill supervised by Canadian diamond drillers commissioned to train Zimbabwe personnel.

The Golden Kopje mine lies on the Eldorado shear zone or "fault" in the Chinhoyi greenstone belt. This structure has also hosted the Eldorado mine, which produced 15,500 kilograms (500,000 ounces) of gold at an average grade of 17.79 grams per tonne, and the Muriel mine from which 7,153 kilograms (230,000 ounces) of gold were produced at 13.9 grams per tonne.

GOLDEN KOPJE MINE SITE MAP



Kinross has taken out two exclusive prospecting orders (E.P.O's) covering the prime ground and has identified several highly prospective targets that have similarities to the banded iron formation of the Golden Kopje mine and the disseminated sulphide replacement zones in sediments characteristic of the Eldorado deposit. Previous producers such as the Union Jack (9,000 ounces from 46,000 tons) and the Maggie Mae (13,000 ounces from 48,000 tons) remain unexplored with modern methods.

GOLDEN KOPJE MINE Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating Areas	112,000	5.01	0.00	559	0	18,000	0
Pillars	52,000	5.10	0.00	266	0	9,000	0
Total Proven Ore (including pillars)	164,000	5.04	0.00	824	0	27,000	0
PROBABLE ORE							
Operating and Development Areas	308,000	5.24	0.00	1,613	0	52,000	0
PROVEN + PROBABLE ORE (INCLUDING PILLARS)							
Total	472,000	5.17	0.00	2,438	0	79,000	0
(Inplace, mineable, diluted)							
DRILL INDICATED RESOURCES							
Total	3,086,000	7.44	0.00	22,959	0	738,000	0

BLANKET MINE

The Blanket mine is an underground gold mine located 560 kilometres south of Harare, Zimbabwe and within a two hour drive of the City of Bulawayo.

Gold production in 1994 was 20,848 ounces compared to 20,393 ounces in 1993. The mill head grade decreased to 4.36 grams per tonne compared to 4.79 grams per tonne in the previous year, however, the budgeted head grade for 1994 was 4.42 grams per tonne. Mill recovery increased by 1% to 86% compared to the previous year. Despite the lower heads, the direct operating costs were U.S. $201 per ounce compared to U.S. $211 per ounce in 1993. Operating costs per tonne milled averaged U.S. $23.63 due to a combination of cost control efforts by onsite management and a favourable U.S./Zimbabwean exchange rate.

The tailings retreatment plant under construction at the Blanket mine with the tailings pile in background.

Tailings Retreatment Plant

In June, plans were announced to construct a tailings retreatment plant to process four million tonnes of tailings accumulated at the Blanket mine over the last 30 years with a recoverable gold content estimated at 2,200 kilograms (71,000 ounces) of gold. Construction of the U.S. $5,000,000 plant was started in the fourth quarter of 1994 and is scheduled for completion by the middle of 1995. The 3,500 tonnes per day operation will treat 3,000 tonnes of tailings and 500 tonnes of fresh ore daily in a carbon-in-leach processing plant. The new facility will produce 16,375 ounces of gold annually for four years from the tailings at a cash operating cost of approximately U.S. $134 per ounce. Recovery of gold from fresh ore will be increased from 86% in the current float-leach process to about 92% in the carbon-in-leach plant.

Production of the Blanket mine is scheduled at 31,000 ounces in 1995 at a cost of U.S. $197 per ounce. In 1996, production is scheduled to increase to 40,000 ounces. The long-term objective for the Blanket mine is to increase production from the mine to 1,000 tonnes per day when the tailings are exhausted. To achieve the higher tonnage, a single shaft will be required to replace the multiple shaft system currently in effect. A decision on the shaft will be made in late 1995 or early 1996.

BLANKET MINE Ore Reserves at December 31, 1994

	Ore (Tonnes)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (kg)	Contained Silver (kg)	Contained Gold (ozs)	Contained Silver (ozs)
(Inplace, mineable, diluted)							
PROVEN ORE							
Operating Areas	385,000	4.10	0.00	1,575	0	51,000	0
Pillars	190,000	4.89	0.00	931	0	30,000	0
Total Proven Ore (including pillars)	575,000	4.36	0.00	2,506	0	81,000	0
PROBABLE ORE							
Operating and Development Areas	435,000	4.22	0.00	1,837	0	59,000	0
PROVEN + PROBABLE ORE (INCLUDING PILLARS)							
Total	1,010,000	4.30	0.00	4,343	0	140,000	0
DRILL INDICATED RESOURCES							
Total	2,712,000	5.78	0.00	15,677	0	504,000	0

Kinross Gold Corporation recognizes that the maintenance of environmental quality is vital to the Company's existence, progress and continued development. Kinross continues to maintain high environmental standards at each of its operating mines. The Company's commitment has been confirmed by the actions taken during 1994. Contemporaneous reclamation of inactive areas at active mines has been completed; improved operating methods have been put into place at several locations; and internal monitoring continued.

The Company conducted a formal environmental audit of each of the North American operations in the third quarter. Prior to this, quarterly reviews by management were routinely completed. Both the reviews and the audit confirm that all of the Company's operations were in compliance with applicable laws, regulations, and permit conditions. When variances were noted, corrective actions were completed immediately. During the year, no notices of violations or citations were received by any operation.

During the year, several acquisition candidates were reviewed and evaluated. As the evaluations proceeded, environmental compliance reviews and audits formulated critical input to each evaluation. The reviews identified and evaluated potential environmental liabilities and concerns, prior to further negotiations. Reclamation of unused mine areas was completed at three operating properties and one non-operating property. Other operating improvements were put into place at each operation.

At the Candelaria mine a fresh water pond has been constructed to provide a place for migrating waterfowl to land. The pond was located to allow for easy access, and to divert wildlife away from active process solution ponds. Stronger, more reliable nets were placed over operating ponds to keep the birds and other wildlife from process solutions. Also at Candelaria, more than 26 hectares were reclaimed and reseeded. A previously excavated pit is being backfilled with waste material from an active pit. A portion of an inactive heap is being rinsed concurrently with ongoing operations.

The Acidification-Volatization-Recovery (AVR) process at DeLamar was improved to allow higher rates of recovery of cyanide from process tailings solutions. The solution discharge to the tailings impoundment has an even lower level of cyanide than in previous years. The operations water balance was carefully controlled, to minimize fresh water requirements, and to lower the solution level in the tailings pond. Conservation of water in this arid location is an extremely important environmental consideration.

At the Blanket mine in Zimbabwe, an environmental impact assessment has been conducted to evaluate the tailings retreatment project. This project will facilitate the recovery of gold from pre-existing waste. At the Golden Kopje mine, also in Zimbabwe, two efforts are underway which potentially will yield additional environmental benefits. Leached concentrate slimes are being trucked to a smelter to be further processed to recover additional amounts of gold. Waste rock is being sold and used as construction material in local projects.

The QR mine in British Columbia has received all operating permits required for construction. The discharge permit was appealed and Kinross worked with the ministries involved to alleviate concerns allowing the project to move ahead. A number of monitoring programs to ensure environmental protection are being built into the project as construction proceeds. A system to classify and properly dispose of potentially acid generating waste rock is being developed in cooperation with government ministries.

At the Owl Creek property in Ontario, grading of waste dumps has redirected surface drainage to the partially backfilled pit. The pit has been filled with water and has become a lake that is used by wildlife. Potentially acid forming material was placed in the open pit, prior to flooding. Storage of the acid generating rock in a manner to preclude its contact with oxygen has eliminated the ability of the material to form acid.

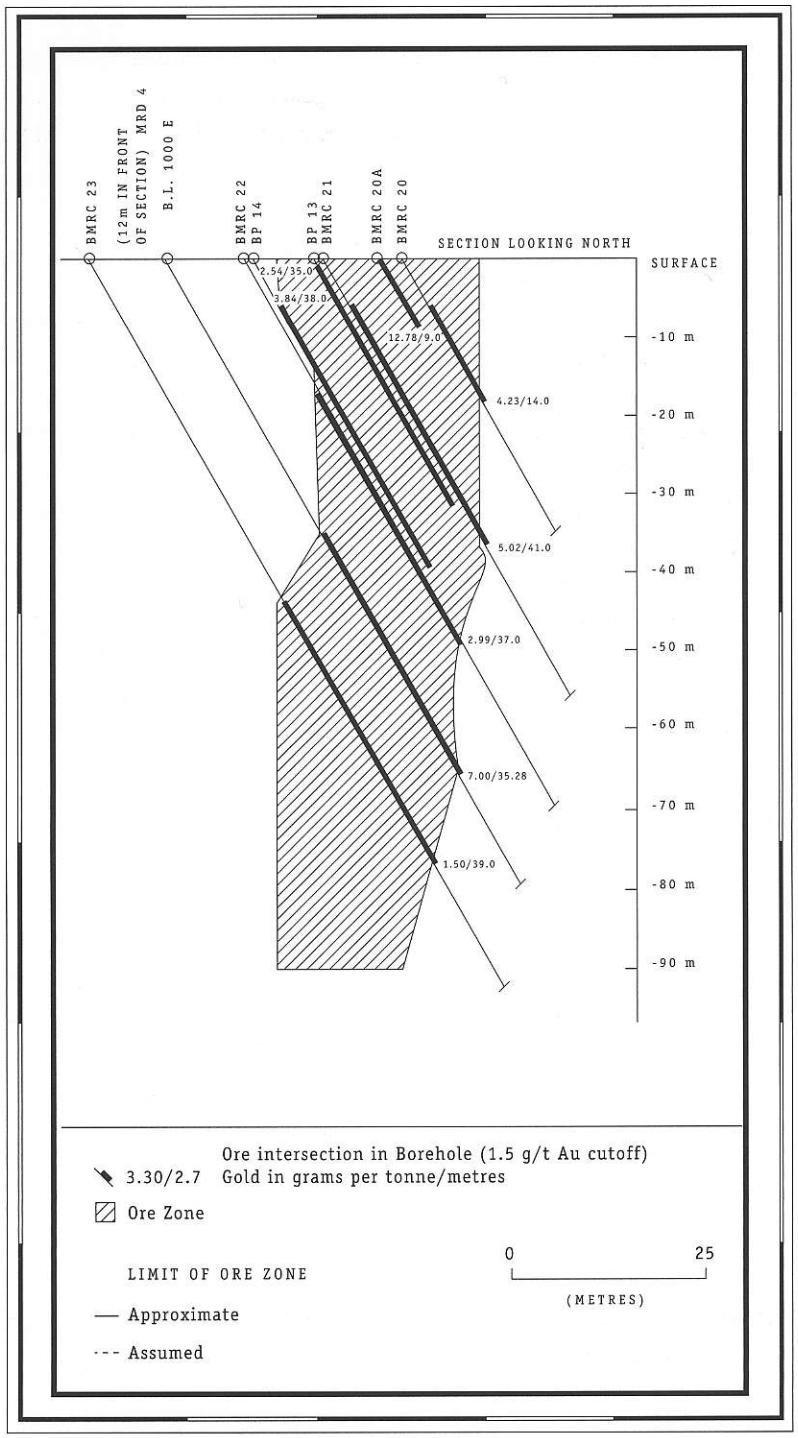
Top: Reclaimed waste piles-Candelaria mine
Bottom: Backfilling Mount Diablo pit-Candelaria mine

One of Kinross' objectives is to realize part of the Company's future growth strategy through participation in the development, construction and management of any new commercial gold discoveries made by four affiliated junior exploration companies. These junior companies fund and carry-out the high-risk exploration required to discover new ore deposits. Kinross has directly assisted these junior companies in acquiring their respective principal exploration properties and has retained a 50% back-in right, or in one case, a 49% ownership interest, in the properties.

Remarkably, two junior companies; East Africa Gold Corporation and Mirage Resource Corporation now have significant gold resources identified. These companies are engaged in work programs aimed at enhancing these resources to "mineable" ore reserves while continuing to explore for additional gold resources. Pentland Firth Ventures Ltd., the third junior has a major land position with numerous significant gold intersections in Timmins, Ontario near the Hoyle Pond mine. The fourth junior company, Oracle Minerals Inc., made a new gold discovery in 1994 and will continue exploration after new financing is arranged.

There was a very large reduction in capital inflow for high risk junior capital markets in 1994 compared to 1993. This retrenchment of capital means that only those junior exploration companies with well above average prospects and with top management teams will be able to tap into this high risk capital market in 1995. The combined exploration budget of the Kinross junior companies in 1995 is $10 million. Meeting this target will require successful access into these junior capital markets.

BUCKREEF PROJECT



EAST AFRICA GOLD CORPORATION

(Formerly Consolidated Kassan Resources Corporation)

In October, Kinross Gold Corporation and 36% owned East Africa Gold Corporation "East Africa Gold" reached an agreement to jointly acquire East Africa Mines Limited "EAM", a privately held Tanzanian mining company actively exploring in Tanzania. Kinross currently holds a 49% direct interest in the company and East Africa Gold holds a 2% direct interest, with the option to earn the remaining 49% over the next three years by fulfilling a series of obligations that include a U.S. $4,000,000 exploration and development program.

EAM controls mineral rights to almost 1,000 square kilometres in 11 separate properties, all located within the prolific gold producing Lake Victoria Goldfield region of northeast Tanzania. This region is comprised of a series of Archean greenstone belts analogous to the Abitibi Belt in eastern Canada and Yilgarn Block of Western Australia and hosts two known one million ounce plus gold deposits. EAM, working in

Tanzania since 1990, has become one of the best positioned exploration companies in Tanzania and through East Africa Gold, is aggressively exploring an outstanding gold property portfolio. The 1995 program includes drilling 38,500 metres to upgrade known gold resources and to explore existing gold anomalies.

Most advanced of the eleven properties is the Buckreef Project, where EAM has identified a major mineralized shear zone hosted predominantly in mafic metavolcanics. Drilling to date on the project has delineated a substantial open pit resource in excess of 1,250,000 tonnes grading four grams of gold per tonne at the Buckreef main pit. The 1995 exploration program currently underway is designed to both confirm and significantly enhance that resource estimate. In addition to enhancing the open-pit resource, this year's drilling program will evaluate the down dip underground mining potential.

Surrounding the Buckreef Mining Licence is EAM's Rwamagaza Property, covering 150 square kilometres of similarly prospective terrain. In 1968, a small drilling program by the United Nations returned intersections to as high as 45.7 grams per tonne across 2.9 metres and 4.4 grams per tonne across 38.4 metres. Reverse circulation and diamond drilling programs are slated for Rwamagaza as part of the 1995 exploration program, where work to date suggests a potentially significant open pit resource located only three kilometres from Buckreef.

Fifty-five kilometres south of Buckreef, the Nyakafuru Property again covers an area of extensive historic artisanal mining activity. Intersections as high as 19.77 grams per tonne gold over 11.0 metres have been returned along a 240-metre strike length and the zones remain open. Additional reverse circulation and diamond drilling in 1995 will continue to evaluate this very promising property.

MIRAGE RESOURCE CORPORATION

El Dorado Project, El Salvador

Mirage Resource Corporation, now listed on the Toronto and Vancouver stock exchanges, centered most of its exploration activities in 1994 on the El Dorado gold project in El Salvador. Mirage is the operator and holds 50% of the joint venture funding the project with Bethlehem Resources Corporation and Dejour Mines Limited each holding 25%. Kinross has 50% back-in rights to the project.

The 1994 program involved drilling 63 holes, totaling 13,331 metres into nine different prospects with a further two holes drilled into the old El Dorado shaft. Total drilling for 1993 and 1994 was 17,193 metres. During the last quarter of 1994 it was decided to concentrate on three key prospects, specifically, El Dorado, La Coyatera North and Nueva Esperanza with the objective of being able to commence a pre-feasibility study on the project during 1995.

At El Dorado, drilling was concentrated on the north-south striking, steeply dipping, Minita, Minita 3 and Zancudo veins. Previous drilling in the Minita and Minita 3 veins, particularly in the zone where the veins appear to coalesce, had recorded high grades and widths suitable for bulk stoping methods. Drilling has been carried out over a strike length of approximately 600 metres on the three veins and the principal target area has been 300 metres long and 130 metres below the 425 metre level, to a total depth of approximately 260 metres below surface. The summary of intersections in this area for the Minita and joined Minita 3 veins follows:

Northing (metres)	Approximate Depth Below Surface (metres)	Hole No.	Downhole Intercept (metres)	Gold (grams per tonne)	Silver (grams per tonne)
301,696	170	K94-88	2.90	7.70	61.55
301,650	190	K94-79	8.90	10.93	90.31
301,609	250	K94-78	3.25	30.24	176.00
301,603	165	K93-3	4.21	8.42	25.70
301,562	255	K94-73	4.25	8.07	32.16
301,545	150	K94-67	0.65	8.60	61.30
301,512	245	K93-2	4.91	26.52	121.51
301,503	175	DDH4	26.15	13.45	141.00
301,501	165	K93-1	11.20	17.48	135.14
301,439	230	K94-75	27.00	12.28	88.98
301,386	225	K94-69	0.65	8.35	63.90
301,331	165	K94-71	1.45	12.10	97.00

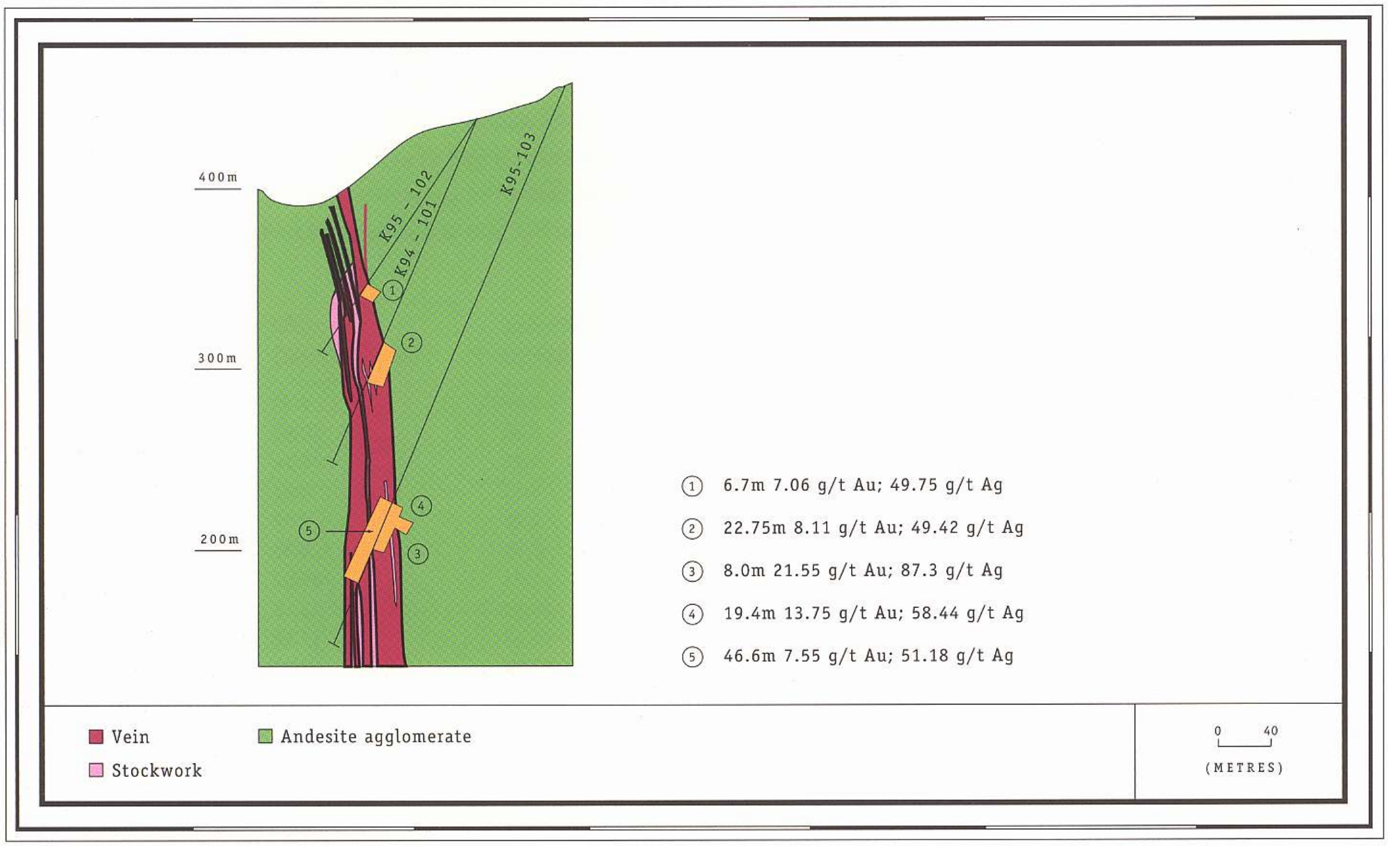
Separately the Minita 3 and Zancudo veins are generally narrower but exhibit zones of mineable width and grades ranging up to 29.27 and 14.28 grams of gold per tonne respectively. All three veins remain open at depth.

Drilling at Nueva Esperanza in 1993 and in the first quarter of 1994 led to preliminary estimation of an in situ (geological) resource of 772,100 tonnes at a grade of 4.64 grams of gold per tonne. Approximately half of this tonnage will be amenable to mining by open pit at a grade in excess of six grams of gold per tonne.

Following poor results from initial drilling at the south end of the La Coyatera vein located approximately three kilometres north-northwest of El Dorado, emphasis was shifted to La Coyatera North. Results from the drilling program over 250 metres of strike length and up to 280 metres below surface, indicate excellent potential for a medium grade bulk mineable resource. The prospect remains open to the north for at least a further 500 metres and at depth. Extension to the south is uncertain because of post-mineralization faulting. Significant results obtained are as follows:

Section No. (metres)	Approximate Depth Below Surface (metres)	Hole No.	Downhole Intercept (metres)	Gold (grams per tonne)	Silver (grams per tonne)
800	40	K94-39	3.45	8.04	N.A.
894	50	K94-45	8.55	4.96	72.07
	90	K93-35	8.35	3.97	36.56
	130	K94-72	17.05	14.63	184.99
	280	K94-84	4.40	5.42	54.78
947	90	K94-50	2.15	2.43	25.26
	170	K94-80	2.85	10.23	68.63
990	45	K94-47	5.30	5.73	76.21
	95	K94-89	4.30	4.96	72.10
1040	100	K94-101	22.75	8.11	49.42
	60	K95-102	6.70	7.06	49.75
	200	K95-103	46.60	7.55	31.18

CROSS SECTION 1040–LA COYATERA NORTH–EL DORADO PROJECT



(1) Pre-feasibility study on the El Dorado project, based on satellite mining operations at El Dorado, Nueva Esperanza and La Coyatera North have commenced. A short additional drilling program will be carried out at La Coyatera North to extend the base for resource calculations along strike and depth.

Included within the overall intercept of 46.60 metres in Hole No. K95-103 are intercepts of eight metres at 21.55 grams of gold per tonne and 87.30 grams of silver per tonne and 19.40 metres at 13.75 grams of gold per tonne and 58.44 grams of silver per tonne as illustrated in cross section 1040.

Additional work is required on promising prospects that include San Francisco, El Plan de Las Minas and Nance Dulce to the south and San Matias to the north. There are numerous other vein systems yet to be mapped and sampled within the Exploration Licence Areas.

ORACLE MINERALS INC.

Oracle Minerals Inc., was reorganized in early 1994 and an $800,000 financing arranged by Kinross was completed in the junior equity markets. Oracle has early stage exploration properties in which Kinross maintains 50% back-in rights, including the new gold discovery made on the San Matias property in El Salvador where follow up drilling is warranted.

San Matias - El Salvador

The 1,200 hectare San Matias property is contiguous to the north with the exploration concession currently the focus of a major highly successful exploration program being managed by Mirage Resource Corporation. A total of seven diamond drill holes comprising 1,004 metres were drilled over a strike length of 550 metres on the San Matias vein during the summer of 1994. Hole No. DDH SM-02 intersected a wide zone of mineralization consisting of 26.6 metres of three grams of gold per tonne and four grams of silver per tonne including a higher grade section of 13.45 metres of core grading 5.14 grams of gold per tonne and 5.74 grams of silver per tonne. Each hole intersected anomalous values of gold and silver over drill widths from two to 27 metres. The near surface expressions of the San Matias vein are interpreted to represent shallow exposures of a hot spring related epithermal gold system. These low grade near surface expressions often represent the "top" of the gold system.

The San Matias property is at a higher elevation than most of the targets on the El Dorado project. Consequently, deeper holes are required to test the zonation pattern of these vein systems and to reach the "bonanza environment" observed on the El Dorado property.

PENTLAND FIRTH VENTURES LTD.

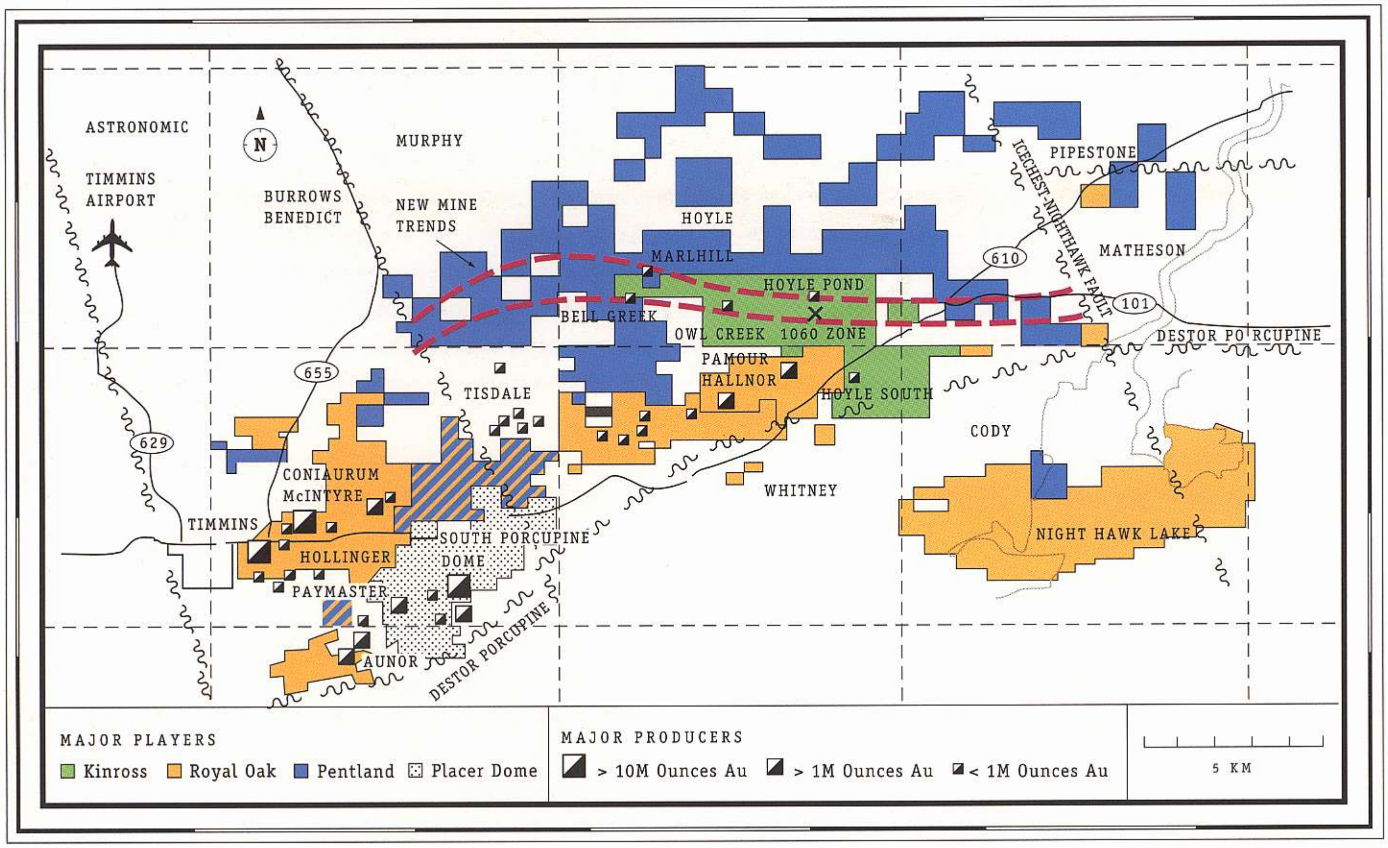
A reverse takeover of Pentland Firth Holdings Ltd. (Alberta Stock Exchange Listing "PFO") was completed as part of a Major Transaction approved by a majority of the minority shareholders on August 2, 1994. Subsequent to acquiring non-core exploration properties of Kinross in the Province of Ontario, Pentland was reorganized and the shares approved for listing on The Toronto Stock Exchange following the successful conclusion of a public offering on March 10, 1995. Pentland is debt-free and has approximately $4,300,000 in cash and short-term investments. Upon completion of the public offering, Kinross will own 47% of the company.

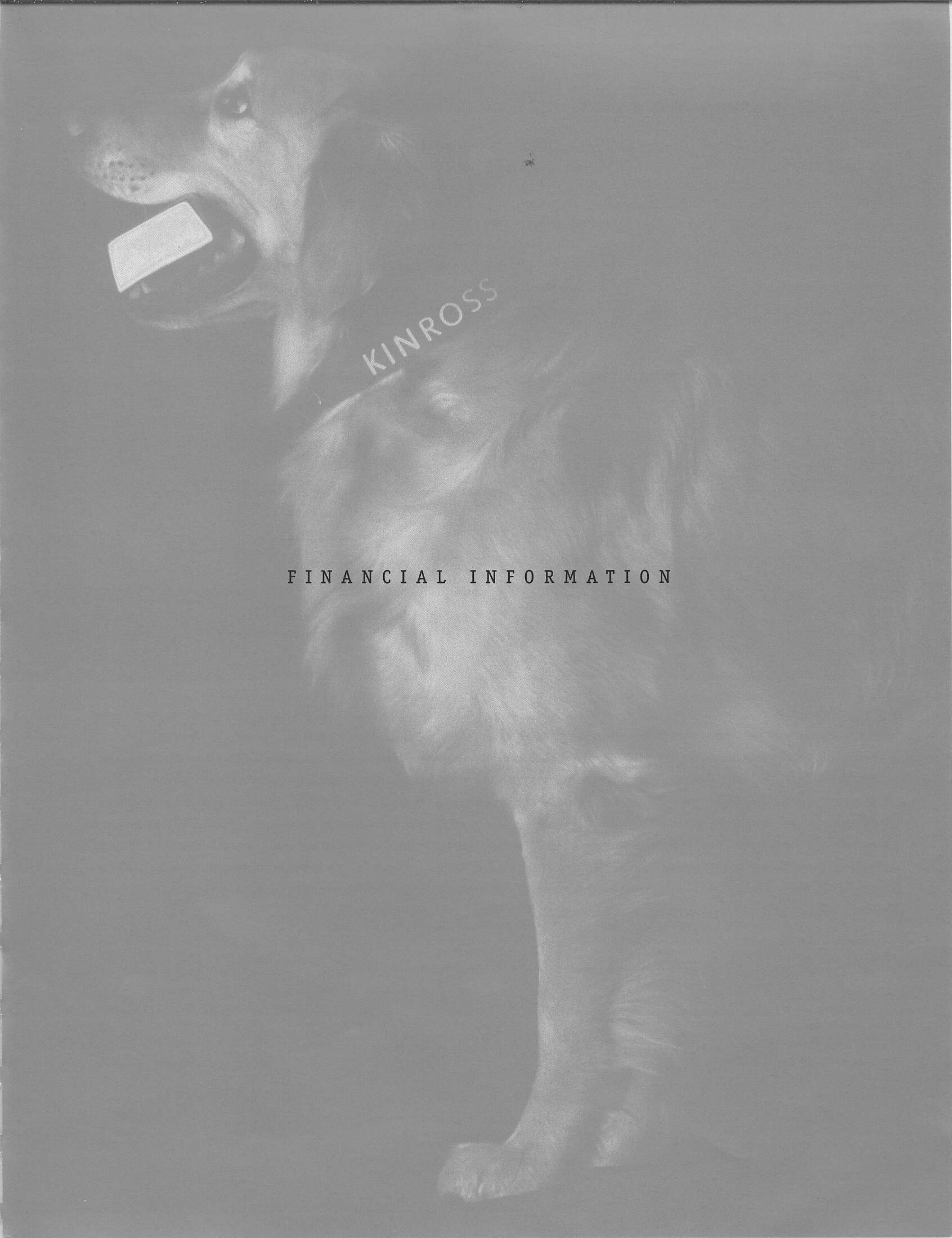
During 1994, Kinross sponsored two private placements to three institutions which netted approximately $1,500,000. This enabled Pentland to pursue field work and property acquisition in accord with its strategic plan. The aim is to further consolidate the on-strike land holdings of the New mine Trends in Timmins, Ontario where Kinross and Pentland now control over 90% of the New mine Trends in Murphy, Hoyle and Matheson townships. This represents the largest combined holdings for gold exploration in the Timmins, Ontario Porcupine Camp. Funds were also used on those targets which afford the earliest chance of attaining production, either through proximity to existing mine workings and/or open-pit potential.

The New Mine Trend lines, the North Parallel and South Parallel are based on mineralogy, morphology, geotechnical survey data and results from 1,776 diamond drill holes in Pentland's database which have been compiled from government assessment files and proprietary data from previous owners. The North Parallel is defined by the Stringer prospect Marlhill mine, Hoyle Pond mine, Mill Creek Occurrence and Birker-Burkhardt Occurrence. The South Parallel is delineated by the Bell Creek mine, Vogel and Owl Creek West occurrences, Owl Creek mine, 1060 Zone and Major General J.V. Prospect. In addition to the above, in 1987 Falconbridge Limited discovered a gold occurrence by drilling on the Wetmore property approximately 900 metres south of the Bell Creek mine workings. This property, has a modest drill indicated inventory (290,500 tonnes at 2.75 grams of gold per tonne). Its vein orientations and reserve calculations are currently under review by third party consultants on Pentland's behalf. Numerous prior quartz vein intersections contained visible gold and assays as high as 300 grams per tonne were reported in the 1989 Falconbridge Gold Corporation Annual Report. However, previous explorationists cut all high values to 32 grams per tonne while the cutting factor at the Hoyle Pond mine is 200 grams per tonne. Prior assumptions regarding vein orientations and percentage of expected ore grade diamond drill hole intersections (only 40% at Hoyle Pond) are also being reviewed.

A similar review of the Marlhill mine data by a structural geologist has resulted in a significant reinterpretation with positive implications for Pentland and Kinross in the area between the Marlhill and Bell Creek mines. Of particular significance, is the recognition of north-south trending veins similar to some of the newer veins (Nos. 7, 8, A1, A2 and A3) at the Hoyle Pond mine which are now postulated to occur at the Marlhill mine.

TIMMINS AREA LAND POSITION





FINANCIAL INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

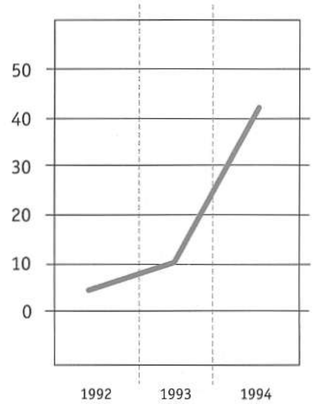
The Company

Kinross Gold Corporation ("The Company") was formed on May 31, 1993 as a result of the amalgamation of Plexus Resources Corporation, CMP Resources Ltd. and 1021105 Ontario Corp. The business of the Company is primarily the production and sale of gold and silver.

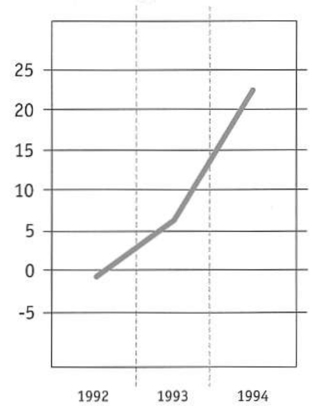
Net Income (Loss)

Net income for the year ended December 31, 1994 increased by 266% to $24,658,000, or 27 cents per share on revenues of $131,064,000. This compares with the previous year's earnings of $6,728,000, or 11 cents per share on revenues of $43,781,000 and a loss of $1,143,000, or 4 cents per share on revenues of $11,821,000 for 1992. Operating cash flow before changes in non-cash working capital increased by 305% to $42,039,000 compared to $10,368,000 in 1993 and $4,569,000 in 1992. All per share amounts assume the conversion of the Plexus and CMP common shares retroactively to the appropriate period.

Operating Cash Flow
(MILLIONS $)



Net Income (Loss)
(MILLIONS $)



Mining Revenue

The Company's primary source of revenue is from the sale of its gold and silver production. Higher gold and silver production and higher realized prices per ounce of gold and silver combined to produce significantly higher revenue and earnings in 1994.

Revenue from the sale of 174,165 ounces of gold and 5,152,000 ounces of silver was $125,837,000 (U.S. $92,138,000), 203% higher than the $41,522,000 (U.S. $31,192,000) revenue reported in 1993 from the sale of 67,702 ounces of gold and 1,320,000 ounces of silver and significantly higher than the revenue reported in 1992 of $11,344,000 (U.S. $9,380,000) from the sale of 24,170 ounces of gold and 213,000 ounces of silver. All the Company's mines had a positive contribution to earnings in 1994 but the mining and processing of the high grade ore at the Hoyle Pond mine in Timmins, and the inclusion of an entire year's operations of the DeLamar, Candelaria, Hoyle Pond, Blanket and Golden Kopje mines were the two most significant factors to which increased revenues and earnings are attributable. The 1992 earnings represent the results of operations when the Company's only producing mine was the 24.01% operating interest and 2.45% net smelter royalty interest in the Denton-Rawhide mine.

Summary Information	**1994**	1993	1992
Gold production	**174,165**	67,702	24,170
Gold revenues	**$91,427,000**	$33,907,000	$10,361,000
Gold revenue per ounce	**$ 525**	$ 501	$ 428
Gold revenue per ounce (U.S.$)	**$ 384**	$ 388	$ 354
Average gold spot prices (U.S.$)	**$ 384**	$ 360	$ 344
Silver production	**5,152,000**	1,320,000	213,000
Silver revenues	**$34,410,000**	$ 7,615,000	$ 973,000
Silver revenues per ounce	**$ 6.68**	$ 5.77	$ 4.57
Silver revenues per ounce (U.S.$)	**$ 4.89**	$ 4.47	$ 3.78
Average silver spot prices (U.S.$)	**$ 5.28**	$ 4.30	$ 3.94

The profitability of the Company is directly related to the market price of gold and silver. The Company reduces this price risk by hedging the price of gold and silver for a portion of its production, but forgoes the benefit of an increase in the commodity price on that portion of production. The Company reviews each producing mine on a stand alone basis and enters into hedging contracts to provide price protection on the higher cost operations. The main hedging tools currently employed by the Company are spot deferred contracts and no-cost minimum/maximum option strategies. The spot deferred contracts are forward sales which earn a premium, or contango, in the forward market. No-cost minimum/maximum option strategies ensure a minimum floor price by buying a put option, which is financed by selling a call option for a fixed ceiling price. Note 18 to the financial statements provides details of the hedging contracts outstanding at December 31, 1994. The gold loan repayments and the gold spot deferred contracts represent 29%, 5% and 4% of estimated production for 1995, 1996 and 1997 respectively, while the silver minimum/maximum option strategies and spot deferred contracts represent 59% and 31% (47% if called) of estimated production for 1995 and 1996 respectively.

Interest and Other Revenue

Interest and other income represents mainly the interest earned on the Company's surplus funds. The Company invests its surplus funds in high quality financial instruments. Interest and other income increased to $5,227,000 in 1994 as compared to $2,259,000 in 1993 and $487,000 in 1992. The 1994 increase is largely attributable to the increased cash reserves as a result of the common share equity financings which occurred in 1994.

EXPENSES

Operating

Total gold equivalent production increased 194% to 245,002 equivalent ounces from 83,468 in 1993 and 26,609 in 1992. Higher production was the major contributing factor for the increased operating costs of $77,947,000 in 1994, as compared to $26,401,000 in 1993 and $4,947,000 in 1992. On a per ounce basis, operating costs declined to U.S. $233 per equivalent ounce of gold from U.S. $245 in 1993, and increased from U.S. $154 in 1992. The 1992 production includes only the results of operations from the 24.01% operating interest and 2.45% net smelter interest in the low cost Denton-Rawhide mine, the Company's sole operating mine at that time. Improved production and lower operating costs per equivalent ounce of gold were achieved at five of the Company's six producing mines in 1994. Estimated production for 1995 is 235,950 ounces of gold and 5,076,000 ounces of silver.

DeLamar Mine

The DeLamar mine, which is located in Idaho, was acquired on August 2, 1993 as part of the acquisition of 100% of NERCO DeLamar Company and NERCO Metals Inc. Gold and silver production in 1994 was 36,025 ounces of gold and 1,699,000 ounces of silver which compares to 19,526 ounces of gold and 731,000 ounces of silver for the period during which the Company owned the mine in 1993. Operating costs were U.S. $252 per equivalent ounce of gold as compared to U.S. $259 in 1993. Operating costs declined on a per ounce basis as a result of increased mill tonnage throughput and increased mining tonnes per manshift. This was somewhat reduced by lower gold grades processed which were 1.369 grams per tonne for the period of ownership in 1993 as compared to 0.999 grams per tonne for 1994. Estimated production for 1995 is 35,200 ounces of gold and 2,044,000 ounces of silver.

Candelaria Mine

The Candelaria mine, which is located in Nevada, was acquired on August 2,1993 as part of the acquisition of 100% of NERCO DeLamar Company and NERCO Metals Inc. Production in 1994 was 3,207,000 ounces of silver and 12,646 ounces of gold which compares to 345,000 ounces of silver and 820 ounces of gold for the period during which the Company owned the mine in 1993. Operating costs were U.S. $3.80 per equivalent ounce of silver as compared to U.S. $6.01 in 1993. The mine resumed commercial production late in 1993 and the 1993 production results and operating costs primarily relate to the recovery of silver and gold from the old heaps and are not indicative of future costs. Production from this mine is fully hedged through to the first half of 1996 and the Company will continue to hedge a large portion of this production to minimize the price exposure on this investment. Estimated production for 1995 is 2,822,000 ounces of silver and 9,150 ounces of gold.

Denton-Rawhide Mine

The Denton-Rawhide mine, which is located in Nevada, commenced commercial production in 1990. Gold and silver production from the Company's 24.01% operating interest and 2.45% net smelter royalty interest (25.26% effective interest) was 30,334 ounces of gold and 246,000 ounces of silver in 1994, which compares to 24,372 ounces of gold and 244,000 ounces of silver during 1993, and 24,170 ounces of gold and 213,000 ounces of silver during 1992. Operating costs were U.S. $184 per equivalent ounce of gold as compared to U.S. $175 in 1993 and U.S. $154 in 1992. Operating costs increased from the 1993 levels as a result of higher stripping ratios, and higher cost inventory being removed from the leachpad. Estimated production for 1995 is 27,050 ounces of gold and 210,000 ounces of silver.

Hoyle Pond Mine

The Hoyle Pond mine, which is located in Timmins, Ontario, was acquired on September 30, 1993 as a result of the acquisition of Falconbridge Gold Corporation ("FGC"). For detailed discussion of the acquisition of FGC see Note 3 to the consolidated financial statements. Gold production in 1994 was 55,170 ounces, which compares to 14,648 ounces for the period during which the Company owned the mine in 1993. Operating costs were U.S. $187 per ounce of gold as compared to U.S. $240 per ounce in 1993. Operating costs decreased significantly in 1994 as a result of increased mill throughput at the Bell Creek mill, increased cost efficiencies, and higher gold grades which were 12.1 grams per tonne for the period of ownership in 1993 as compared to 17.0 grams per tonne for 1994. Estimated production for 1995 is 88,500 ounces of gold. For a detailed discussion of the expansion plans at the Timmins operations and the increases in the reserves see pages 10 to 13 of the report on operations.

Bell Creek Mine

The Bell Creek mine, which is located in Timmins, Ontario, was acquired on September 30, 1993 as a result of the acquisition of FGC. Gold production in 1994 was 6,695 ounces, which compares to 1,138 ounces for the period during which the Company owned the mine in 1993. Operating costs were U.S. $294 per ounce of gold as compared to U.S. $273 per ounce in 1993. The 1994 results represent a bulk sample that was processed in the first quarter of the year. Mining during 1994 was performed using a contractor which resulted in a slightly higher operating cost per ounce in 1994. The mine has been placed on care and maintenance since there is limited milling capacity at the Bell Creek mill and the focus will continue to be on processing the higher grade Hoyle Pond ore.

Golden Kopje Mine

The Golden Kopje mine, which is located in Zimbabwe, was acquired on September 30, 1993 as a result of the acquisition of FGC. Gold production in 1994 was 12,447 ounces, which compares to 2,251 ounces for the period during which the Company owned the mine in 1993. Operating costs were U.S. $295 per ounce of gold as compared to U.S. $338 per ounce in 1993. During 1994 the Company completed the mine and mill expansion which was commenced by FGC. Operating costs per ounce decreased in 1994 as a result of favorable U.S./Zimbabwe exchange rates and expanded production. Estimated production for 1995 is 19,800 ounces of gold.

Blanket Mine

The Blanket mine, which is located in Zimbabwe, was acquired on September 30, 1993 as a result of the acquisition of FGC. Gold production in 1994 was 20,848 ounces, which compares to 4,947 ounces for the period during which the Company owned the mine in 1993. Operating costs were U.S. $201 per ounce of gold as compared to U.S. $227 per ounce in 1993. Operating costs per ounce decreased in 1994 as a result of favorable U.S./Zimbabwe exchange rates, and higher gold production. Estimated production for 1995 is 31,000 ounces of gold. For a detailed discussion of the planned tailings retreatment expansion see pages 22 to 23 of the report on operations.

QR Mine

The QR mine, which is located in British Columbia, was acquired in October 1992 by CMP Resources Ltd., a predecessor of the Company. During 1994, the Company embarked upon development and construction of the mine and mill facilities. Construction is scheduled to be completed during the first quarter of 1995, with commercial production commencing shortly thereafter. Estimated production for 1995 is 25,250 ounces of gold. For a detailed discussion of the results of the expansion program see pages 13 to 15 of the report on operations.

Depreciation and amortization

Depreciation and amortization totalled $11,775,000 in 1994 as compared to $5,640,000 in 1993 and $2,522,000 in 1992. Depreciation and amortization have decreased on an equivalent ounce of gold basis to $48 per ounce from $68 in 1993 and $95 in 1992. The depreciation and amortization cost per ounce decreased in 1994 primarily as a result of the Hoyle Pond mine grade exceeding the reserve grade by 2.7 grams per tonne. Depreciation and amortization is expected to be $55 per ounce in future years as a result of the large capital expansion planned for 1995.

General and Administrative

General and administrative expenditures include corporate office expenses related to the overall management of the business which are not part of direct mine operating costs. The cost of the Company's four corporate offices is included in general and administrative expenses. These offices are the corporate office in Toronto, the United States office in Salt Lake City, the U.K. office in London and the Zimbabwe office located in Harare. General and administrative expenditures totalled $6,667,000 in 1994 as compared to $4,170,000 in 1993 and $1,646,000 in 1992. General and administrative expenditures increased in total as a result of the first full year of the expanded operations but decreased on an equivalent ounce of production basis to $30 per ounce in 1994 as compared to $50 in 1993 and $62 in 1992.

Gain (Loss) on the Sale of Marketable Securities

The gain (loss) on sale of marketable securities represents the results from the continued sales of the various marketable securities which were part of the assets transferred by CMP Resources Ltd. and 1021105 Ontario Corp. upon amalgamation. The gain on sale of marketable securities was $1,370,000 in 1994 as compared to $2,705,000 in 1993 and a loss of $558,000 in 1992. Future gains and losses will be incurred as the Company sells the balance of the marketable securities portfolio.

Foreign Exchange and Other

The Company holds a portion of its Canadian treasury in U.S. denominated financial instruments which has been set aside for future acquisitions and expansion. Thus, as a result of this and a declining Canadian dollar, the Company realized a $1,433,000 foreign exchange gain in 1994. At December 31, 1994, the Company's treasury has approximately U.S. $41,000,000 of U.S. denominated commercial paper and cash. In addition, the Company realized a dilution gain of $1,098,000 on its investment in Pentland Firth Ventures Ltd.

Interest Expense

Interest expense totalled $316,000 in 1994 as compared to $438,000 in 1993 and $319,000 in 1992. The primary component of interest expense is the interest on the gold loan. Interest expense decreased by 28% during 1994 primarily due to the fact that the 1993 results included interest expense on bridge financing that was used to acquire NERCO DeLamar Company and NERCO Metals Inc. and lower ounces outstanding on the gold loan.

Income Taxes

The Company's average effective tax rate was 29.5% in 1994 as compared to 27.8% in 1993 and 23.2% in 1992. The increase in the effective tax rate is largely attributable to higher profits earned in Canada. This was partially offset by the recognition in 1994 of the benefit resulting from the utilization of all the Canadian non-capital losses and other unclaimed deductions. The Company's effective tax rate is expected to increase to approximately 40% in 1995 as a result of a higher percentage of profits earned in Canada resulting from the expansion of the Timmins operations and commencement of production at the QR mine. Note 13 to the financial statements provides further details on the Company's tax position.

Capital Expenditures

Capital expenditures increased to $36,010,000 in 1994 from $5,544,000 in 1993 and $4,830,000 in 1992. Capital spending at the Timmins operations totalled $11,838,000 which was utilized for exploration and development, primarily on the 1060 Zone. At the QR mine capital expenditures totalled $10,659,000 which were utilized to build the mine and mill infrastructure. At the DeLamar mine $3,496,000 was used primarily for dam construction, permitting and engineering activities on the Stone Cabin claims, and additions to the mobile equipment fleet. At the Candelaria mine, $3,888,000 of capital expenditures were incurred primarily during prestripping of the Northern Belle pit. At the Denton-Rawhide mine, $1,489,000 of capital expenditures were incurred primarily as replacement capital and additions to the mobile equipment fleet. At the Golden Kopje mine capital expenditures totalling $2,384,000 were used primarily to complete the expansion which was commenced by FGC in 1992. At the Blanket mine capital expenditures totalled $1,600,000 which was primarily used to commence the construction of the tailings retreatment facility.

Capital expenditures in 1995 will increase as the Company begins a major expansion program at the Timmins operations, completes the construction of the QR mine and mill facilities, commences the development of the Stone Cabin deposit at the DeLamar mine, completes the construction of the tailings retreatment facility at Blanket, and commences on developing of the new reserves at Candelaria.

Capital expenditures for 1995 are expected to be $61,200,000 of which $25,000,000 will be spent at the Timmins operations, $12,000,000 at the DeLamar mine, $7,300,000 at the Blanket mine, $7,900,000 at the Candelaria mine, $5,400,000 at the QR mine, $2,100,000 at the Golden Kopje mine and $1,300,000 at the Denton-Rawhide mine.

Long-term Investments & Other

Additions to long-term investments and other totalled $2,575,000, during 1994 which compares to $3,419,000 in 1993 and $6,307,000 in 1992. Consistent with the Company's policy on providing seed capital to selected junior companies, the Company provided such capital to Oracle Mineral Resources Inc., Pentland Firth Ventures Ltd., East Africa Gold Corporation, East Africa Mines Inc., and Mirage Resource Corporation during 1994. For details of the investments and percentage of holdings, see Note 8 to the consolidated financial statements.

Liquidity and Financial Resources

Cash flow provided from operating activities before changes in non-cash working capital increased by 305% to $42,039,000 compared to $10,368,000 in 1993 and $4,569,000 in 1992. The 1994 cash flow was positively affected by the inclusion of a full year of operations of the various mines acquired in 1993. Operating cash flow exceeded capital additions by $6,029,000 during 1994.

As at December 31, 1994, the Company's debt was comprised of a gold loan of 13,736 ounces valued at $7,351,000 as compared to 21,576 ounces valued at $11,171,000 in 1993 and 23,980 ounces valued at $10,590,000 in 1991. The debt is repayable at the rate of 4,116 ounces in 1995, 5,194 ounces in 1996, 3,638 ounces in 1997 and 788 ounces in 1998. During the course of the year, the Company repaid 7,840 ounces under this facility.

The Company's operations have been, and in the future may be, affected to varying degrees by changes in environmental regulations including those for future site restoration and reclamation costs. The overall effect of these changes upon the Company vary from jurisdiction to jurisdiction and are not predictable but, given the Company's environmental policies and programs are not expected to be material. The Company has accrued $3,890,000 of site restoration obligations as at December 31, 1994 as compared to $1,192,000 in 1993 and $309,000 in 1992 and posted performance bonds and letters of credits with the various jurisdictions. During 1994, the Company continued to set aside cash into restricted accounts to fund site restoration and reclamation obligations upon the closure of the mines. As at December 31, 1994 $3,573,000 has been set aside as compared to $868,000 at December 31, 1993.

During the year ended December 31, 1994, the Company issued 13,700,000 common shares for net proceeds of $73,751,000 upon the conversion of the special warrants and from a public issue, 753,000 common shares for total proceeds of $1,250,000 upon the exercise of private placement warrants, 648,000 common shares for total proceeds of $906,000 pursuant to the exercise of stock options and 7,000 common shares for total proceeds of $24,000 upon exercise of share purchase warrants. For details on the various share capital transactions see Note 12 to the consolidated financial statements.

During 1994, the Company declared and paid dividends to the preferred shareholder of $376,000, (1993-$282,000). The preferred shares were not outstanding during 1992.

The results of operations and financings during the year, allowed the Company to close the year end with a strong balance sheet, with $114,717,000 of cash and $124,810,000 of working capital.

Foreign Currency Translation Adjustment

The Company has self-sustaining operations in the United States and Zimbabwe which are translated into Canadian dollars using the current rate method. The current rate method translates assets and liabilities into Canadian dollars using the rate of exchange in effect at the balance sheet date and revenue and expense items into Canadian dollars using the average rate for the reporting period.

The Canadian dollar decreased in value by approximately 6% when compared against the U.S. dollar. This combined with the holding of net assets in these foreign self-sustaining operations resulted in a change in the Foreign Currency Translation Adjustment account of $4,110,000.

Zimbabwe Foreign Exchange Regulations

The Zimbabwe operations may be affected by changes in exchange regulations. The repatriation of profits from the operations of the Company in Zimbabwe are subject to exchange control regulations which in the past limited the amount of income which could be remitted as dividends. As a result of recent policies adopted by the government of Zimbabwe, 100% of income commencing January 1, 1995 will be eligible to be repatriated in the form of dividends annually.

Outlook

The Company begins 1995 with a strong balance sheet, 2,000,000 ounces of gold and 36,980,000 ounces of silver reserves, increasing production, decreasing operating costs and aggressive expansion plans. As a result, the Company should not only be able to meet its current debt repayments and capital expenditures, but generate increases in earnings and cash flow in the future. The funds, generated by operations combined with current cash reserves will be able to support future acquisitions and developments.

AUDITORS' REPORT

To the Shareholders of Kinross Gold Corporation

We have audited the consolidated balance sheets of Kinross Gold Corporation as at December 31, 1994 and 1993 and the consolidated statements of income, retained earnings and changes in financial position for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1994 and 1993 and the results of its operations and the changes in its financial position for the years then ended, in accordance with accounting principles generally accepted in Canada.

We have also audited the combination of the consolidated financial statements of the Company for the year ended December 31, 1992; in our opinion such consolidated statements have been properly combined on the basis described in Note 2 to the consolidated financial statements. The consolidated financial statements of the Company for the year ended December 31, 1992, represent the combined financial statements of predecessor companies, as described in Note 2, which were audited by other firms of auditors who expressed opinions without reservation on those statements in their reports.

Deloitte & Touche

CHARTERED ACCOUNTANTS
Toronto, Ontario
March 6, 1995

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements, the notes thereto and other financial information contained in the annual report are the responsibility of the management of Kinross Gold Corporation. These financial statements have been prepared in accordance with generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee, which is comprised of Directors none of whom are employees or officers of the Corporation, meets with management as well as the external auditors to satisfy itself that management is properly discharging its financial reporting responsibilities and to review the consolidated financial statements and the report of the auditors. It reports its findings to the Board of Directors who approve the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte & Touche, the independent auditors, in accordance with generally accepted auditing standards. The auditors have full and unrestricted access to the audit committee.

ROBERT M. BUCHAN
Chairman, President & Chief Executive Officer

BRIAN W. PENNY
Vice President, Finance & Chief Financial Officer

Toronto, Ontario
March 6, 1995

CONSOLIDATED BALANCE SHEETS

December 31, 1994

(expressed in thousands of Canadian dollars)

	1994	1993
ASSETS		
Current Assets		
Cash and short-term investments	$ 114,717	$ 39,098
Bullion settlements and other accounts receivable	13,673	7,869
Inventories *(Note 4)*	17,407	10,003
Marketable securities *(Note 5)*	1,653	7,401
	147,450	64,371
Mineral Properties, Plant and Equipment *(Note 6)*	113,954	85,649
Long-Term Investments *(Note 8)*	5,420	2,631
Deferred Charges and Other *(Note 9)*	1,621	1,812
	$ 268,445	$ 154,463
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 20,437	$ 14,604
Current portion of gold loan *(Note 10)*	2,203	3,123
	22,640	17,727
Gold Loan *(Note 10)*	5,148	8,048
Site Restoration Costs *(Note 11)*	3,890	1,192
Deferred Income Taxes *(Note 13)*	6,497	1,555
	38,175	28,522
SHAREHOLDERS' EQUITY		
Preferred shares *(Note 12(a))*	4,700	4,700
Common shares *(Note 12(b))*	190,419	114,488
Share purchase warrants *(Note 12(c)(ii))*	1,631	1,625
Retained earnings	28,776	4,494
Foreign currency translation adjustment	4,744	634
	230,270	125,941
	$ 268,445	$ 154,463

Signed on behalf of the Board:

GARTH A.C. MACRAE
Director

JOHN A. BROUGH
Director

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 1994

(expressed in thousands of Canadian dollars except per share amounts)

	1994	1993	1992
Revenue			
Mining revenue	$ 125,837	$ 41,522	$ 11,334
Interest and other income	5,227	2,259	487
	131,064	43,781	11,821
Expenses			
Operating	77,947	26,401	4,947
General and administrative	6,667	4,170	1,646
Exploration and business development	2,867	992	244
Depreciation and amortization	11,775	5,640	2,522
	99,256	37,203	9,359
Income Before Undernoted	31,808	6,578	2,462
Gain (loss) on sale of marketable securities	1,370	2,705	(558)
Gain on sale of long term investments	–	493	1,597
Foreign exchange gain and other	2,531	–	–
Equity (loss) income in associated companies	(530)	(115)	105
Write down of marketable securities	–	–	(2,847)
Dividend income	120	200	–
Interest expense	(316)	(438)	(319)
Income Before Taxes and Discontinued Operations	34,983	9,423	440
Income and mining taxes *(Note 13)*	(10,325)	(2,622)	(102)
Income From Continuing Operations	24,658	6,801	338
Loss from discontinued operations *(Note 14)*	–	(73)	(1,481)
Net Income (Loss) for the Year	$ 24,658	$ 6,728	$ (1,143)
Net Income (Loss) Per Share			
Basic	$ 0.27	$ 0.11	$ (0.04)
Fully diluted	$ 0.24	$ 0.09	$ (0.04)
Weighted Average Number of Common Shares Outstanding *(in thousands)*	91,619	57,954	30,950

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

(expressed in thousands of Canadian dollars)

	1994	1993	1992
Net Inflow (Outflow) of Cash Related to the Following Activities:			
Operating			
Net income from continuing operations	$ 24,658	$ 6,801	$ 338
Items not affecting cash:			
Depreciation and amortization	11,775	5,640	2,522
(Gain) loss on sale of marketable securities	(1,370)	(2,705)	558
Gain on sale of long term investments	-	(493)	(1,597)
Write down of marketable securities	-	-	2,847
Deferred income taxes	4,846	-	-
Site restoration	2,698	883	-
Other	(568)	242	(99)
	42,039	10,368	4,569
Changes in non-cash working capital:			
Bullion settlements and other accounts receivable	(5,804)	(5,626)	(421)
Inventories	(7,404)	(2,129)	(1,079)
Marketable securities	7,118	(508)	(5,757)
Accounts payable and accrued charges	5,833	5,924	230
Effects of exchange rate changes	1,113	-	-
Debenture payable	-	-	(250)
Net cash provided by discontinued operations	-	-	117
	42,895	8,029	(2,591)
Financing			
Issuance of common shares and special warrants, net	75,931	81,711	18,068
Issuance of share purchase warrants, net	6	1,625	
Issuance of preferred shares	-	4,700	-
Convertible debentures	-	(1,395)	-
Preferred share dividends	(376)	(282)	-
Formation costs	-	(469)	-
Repayments of gold loan	(4,252)	(1,405)	(1,582)
	71,309	84,485	16,486
Investing			
Additions to mineral properties, plant and equipment	(36,010)	(5,544)	(4,830)
Business acquisitions net of cash acquired *(Note 3)*	-	(50,225)	-
Notes receivable and investments	(2,575)	(3,419)	(6,307)
Proceeds from the sale of long-term investments	-	625	1,788
	(38,585)	(58,563)	(9,349)
Increase in Cash and Short-term Investments	75,619	33,951	4,546
Cash and Short-Term Investments-Beginning of Year	39,098	5,147	601
Cash and Short-Term Investments-End of Year	$ 114,717	$ 39,098	$ 5,147

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

For the years ended December 31, 1994, 1993 and 1992

(expressed in thousands of Canadian dollars)

	SHARE CAPITAL		Share	Retained	Foreign Currency	
	Preferred	Common	Purchase Warrants	Earnings (Deficit)	Translation Adjustment	Total
Balance, December 31, 1991	$ –	$ 18,435	$ –	$ 346	$ –	$ 18,781
Issuance of common shares	–	14,342	–	–	–	14,342
Net loss for the year	–	–	–	(1,143)	–	(1,143)
Elimination of intercompany investment *(Note 2)*	–	–	–	(686)	–	(686)
Foreign currency translation adjustment	–	–	–	–	480	480
Balance, December 31, 1992	–	32,777	–	(1,483)	480	31,774
Issuance of preferred shares	4,700	–	–	–	–	4,700
Issuance of common shares	–	81,711	–	–	–	81,711
Issuance of share purchase warrants	–	–	1,625	–	–	1,625
Net income for the year	–	–	–	6,728	–	6,728
Preferred share dividends	–	–	–	(282)	–	(282)
Formation costs	–	–	–	(469)	–	(469)
Foreign currency translation adjustment	–	–	–	–	154	154
Balance, December 31, 1993	4,700	114,488	1,625	4,494	634	125,941
Issuance of common shares	–	75,931	–	–	–	75,931
Issuance of share purchase warrants, net	–	–	6	–	–	6
Net income for the year	–	–	–	24,658	–	24,658
Preferred share dividends	–	–	–	(376)	–	(376)
Foreign currency translation adjustment	–	–	–	–	4,110	4,110
Balance, December 31, 1994	$ 4,700	$ 190,419	$ 1,631	$ 28,776	$ 4,744	$ 230,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1994

(Canadian dollars) (All tabular dollar amounts are in thousands)

1. Summary of Significant Accounting Policies

The consolidated financial statements of Kinross Gold Corporation ("the Company") are expressed in Canadian dollars, and have been prepared in accordance with accounting principles generally accepted in Canada which differ in certain material respects from those generally accepted in the United States, as described in Note 20.

Basis of presentation

The consolidated financial statements include the accounts of the Company, its subsidiaries and its proportionate share of a joint venture interest operating under a contractual agreement. Long-term investments in shares of associated companies, over which the Company has the ability to exercise significant influence, are accounted for using the equity method.

Short-term investments and marketable securities

Short-term investments and marketable securities are carried at the lower of cost and quoted market value.

Inventories

Ore stockpiles are valued at the lower of production cost and net realizable value. Supplies are valued at the lower of cost and replacement cost.

Mineral properties, plant and equipment

MINERAL PROPERTIES

All costs of acquiring mineral properties are capitalized. Exploration and development costs of exploration projects on properties with development potential are deferred, on a project basis, until the economic viability of the project is determined. Once commercial production is reached, the deferred costs of the project are amortized over their economic lives, on the basis described below.

Where the total reserves are not determinable because ore bearing structures are open at depth or are open laterally, the straight line method of amortization is applied over the estimated life of each mine which is currently up to 10 years.

Where the mine operating plan calls for production from well-defined ore reserves, the unit-of-production method of amortization is applied.

Annually, reviews are performed to evaluate the carrying value of operating mines and development properties. The costs of properties which are not economically viable are written down to their estimated recoverable value.

PLANT & EQUIPMENT

Plant and equipment are recorded at cost, less accumulated depreciation, which is provided for on a straight line or declining balance over the estimated useful lives of up to ten years.

Hedging transactions

Gains and losses on forward sales contracts, including spot deferred contracts, options and gold loans that effectively establish prices for future production are recognized in income when the hedged production is delivered or when the contract is closed.

Foreign currency translation

The accounts of self-sustaining foreign operations are translated into Canadian dollars using the current rate method. Under this method assets and liabilities are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date and revenue and expense items are translated using an average exchange rate for the reporting period. Exchange gains and losses arising on translation of self-sustaining operations are deferred in the foreign currency translation adjustment account, a separate component of shareholders' equity.

Site restoration costs

Estimated costs of site restoration are accrued and expensed over the estimated life of the mine. Cash is segregated in a separate account to ensure funds are available to defray closure costs when production ceases.

Income and mining taxes

The provisions for income and mining taxes are based on earnings for financial reporting purposes. Deferred taxes arise from the recognition of revenues and expenses in different years for financial reporting and tax purposes. Withholding taxes are provided on the unremitted net earnings of foreign subsidiaries to the extent that dividends will be subject to such taxes.

2. Formation of the Company

The Company was formed on May 31, 1993 by way of the Plan of Arrangement (the "Arrangement"), wherein Plexus Resources Corporation ("Plexus"), CMP Resources Ltd. ("CMP") which was incorporated in 1991 and commenced operations in 1992, and 1021105 Ontario Corp. (formed on March 9, 1993) were amalgamated. The Arrangement has been accounted for using the pooling of interests method. This method is appropriate as the Arrangement involves the uniting of the predecessor corporations, to continue their prior businesses together, without any of the parties to the Arrangement being identifiable as the acquirer of the businesses.

Accordingly, financial information as at December 31, 1992 and for the year ended December 31, 1992 was derived from the predecessor companies' financial statements, with the following retroactive adjustments to record:

(a) the issuance by the Company of 15,886,516 common shares in exchange for all of the common shares of Plexus;

(b) the issuance by the Company of 17,606,600 common shares in exchange for all of the common shares of CMP; and

(c) the elimination of CMP's investment in Plexus.

On May 31, 1993, 17,592,534 common shares and 470,000 preferred shares of the Company were issued in exchange for all of the common shares and all of the preferred shares of 1021105 Ontario Corp. which, in addition to the above adjustments, completed the amalgamation as contemplated in the Arrangement.

3. Business Acquisitions

On August 2, 1993, the Company acquired all of the shares of the NERCO DeLamar Company and NERCO Metals Inc. ("the NERCO companies"). The major assets of the NERCO companies were the DeLamar mine located in Idaho, and the Candaleria mine located in Nevada. On September 30, 1993, the Company acquired for cash from Falconbridge Limited 55.9% of the issued common shares of Falconbridge Gold Corporation ("FGC") and a $7,400,000 convertible debenture which was subsequently converted into 2,114,285 common shares of FGC resulting in a holding by the Company of 61.45% of the issued common shares of FGC. Pursuant to an amalgamation by way of plan of arrangement effective December 31, 1993, the Company acquired the non-controlling interests in FGC by issuing from treasury 6,499,017 common shares of the Company in exchange for 6,499,017 common shares of FGC, issuing 3,249,508 share purchase warrants of the Company (Note 12(c)(ii)) and reserving for issuance 130,000 share purchase warrants of the Company in exchange for 3,249,508 share purchase warrants of FGC and 130,000 reserved share purchase warrants of FGC.

In connection with the Company's acquisition of the non-controlling interest in FGC, agreements with four minority shareholders of FGC, representing approximately 26.5% of the issued and outstanding common shares of FGC (69% of the FGC common shares not previously owned by the Company), were entered into on October 8, 1993 (signed back October 12, 1993) pursuant to which these shareholders agreed to vote in favour of this amalgamation. These agreements provided for the effective transfer of ownership of the non-controlling interest in FGC to the Company.

As a result of the initial acquisition of the majority shareholding from Falconbridge Limited being effective September 30, 1993, and the subsequent agreements providing for the effective transfer of ownership of the remaining non-controlling interest being entered into shortly thereafter, for accounting purposes the date of acquisition for the entire transaction to acquire FGC has been designated as September 30, 1993.

The major assets of FGC were the Hoyle Pond and Bell Creek mines in Timmins, Ontario, and the Blanket and Golden Kopje mines in Zimbabwe.

The following is a summary of the acquisitions both of which are accounted for using the purchase method:

	NERCO Companies	FGC	Total
Fair value ascribed to net assets acquired:			
Mineral properties, plant and equipment	$ 20,371	$ 31,943	$ 52,314
Other assets (including cash of $11,502,000)	1,981	16,348	18,329
Total assets	22,352	48,291	70,643
Less liabilities assumed	2,137	6,779	8,916
	$ 20,215	$ 41,512	$ 61,727
Purchase Price:			
Cash	$ 20,215	$ 22,502	$ 42,717
Shares	–	17,385	17,385
Warrants	–	1,625	1,625
	$ 20,215	$ 41,512	$ 61,727

Pro forma results of operations to reflect the acquisition of the NERCO companies as though it had occurred at the beginning of 1993 and as though it was consolidated for entire 1993 year cannot be provided as stand alone historic financial statements for the NERCO companies are not available. Pro forma revenue for 1993 utilizing production data available for the seven month period ended July 31, 1993 and using an average price for gold and silver during the period, combined with actual results for the five months from the date of acquisition, amounts to $26,937,000.

The following pro forma results of operations reflect the acquisition of FGC as though it had occurred at the beginning of 1993 and as though it was consolidated for the entire 1993 year. Pro forma results of operations for the year ended December 31, 1993 were revenues of $72,573,000, and net income of $12,176,000 which would increase basic earnings per share to 21 cents. These pro forma results, which are net of applicable depreciation and amortization of the purchase premium allocated to mineral properties, plant and equipment, are based on average exchange rates for the period. The pro forma financial information does not purport to represent what Kinross's results of operations would have been had the acquisition occurred on such date or to project Kinross's results of operations for any future periods. Given that the Company was formed in 1993 by amalgamation (Note 2), pro forma financial information for prior periods reflecting this acquisition is not considered meaningful.

4. Inventories

Inventories are comprised of the following:

	1994	1993
Ore Stockpiles	**$ 11,493**	$ 5,752
Supplies	**5,914**	4,251
	$ 17,407	$ 10,003

5. Marketable Securities

The market value of the Company's portfolio of marketable securities is $2,498,000 as at December 31, 1994 (1993 - $9,703,000).

6. Mineral Properties, Plant and Equipment

	1994	1993
Producing Properties		
Mineral properties	$ 61,102	$ 55,330
Plant and equipment	66,620	26,817
	127,722	82,147
Less accumulated depreciation and amortization	25,603	8,390
	102,119	73,757
Exploration Projects	11,835	11,892
	$ 113,954	$ 85,649

The amounts include $ Nil and $177,000 of interest capitalized during, 1994 and 1993, respectively.

7. Joint Venture

The Company owns a 24.01% operating interest and a 2.45% net smelter royalty interest in the Denton-Rawhide mine. The Company is charged its proportionate share of the operating expenses and capital expenditures of the mine and receives its share of revenue in kind from gold and silver production. The 2.45% net smelter royalty, also received in kind, is earned on gross proceeds from all product shipped by the joint venture.

The following table summarizes information contained in the financial statements relative to the Company's joint venture interest.

	1994	1993	1992
Revenues	$ 17,551	$ 13,909	$ 10,990
Operating expenses	8,462	6,038	4,663
Depreciation and amortization	3,689	1,642	1,425
Earnings before taxes	$ 5,400	$ 6,229	$4,902
Current assets	$ 6,392	$ 6,282	$ 3,133
Mineral properties, plant and equipment	23,973	13,772	11,761
	30,365	20,054	14,894
Current liabilities	1,434	1,564	940
Non-current liabilities	601	401	309
Equity	$ 28,330	$ 18,089	$ 13,645
Cash provided by operations	$ 9,089	$ 7,871	$ 6,327
Cash used in investing activities	$ 1,489	$ 3,501	$ 846

8. Long-Term Investments

Long-term investments consist of investments in and advances to associated companies as follows:

		1994	1994	1993
	Ownership %	Market Value	Carrying Value	Carrying Value
Brenna Resources Ltd.	37	$ 1,430	$ 2,244	$ 2,344
East Africa Mines Limited	49	1,011	980	
East Africa Gold Corporation	36	1,551	316	
Oracle Minerals Inc.	22	364	185	
Pentland Firth Ventures Ltd.	68	3,643	1,169	
Mirage Resource Corporation	26	1,560	526	287
		$ 9,559	$ 5,420	$ 2,631

The Company's investment in Pentland Firth Ventures Ltd. has not been consolidated since the control was only temporary in nature and the Company has been diluted to a 47% ownership interest subsequent to year end.

9. Other

Other assets include interest free advances to directors and senior officers under the Company's stock option plan of $515,000 and $202,000 as at December 31, 1994 and 1993 respectively. Advances are secured by the shares purchased and are repayable within ten years of the date of the advance.

10. Gold Loan

During 1991, the Company entered into a loan agreement with a major bullion bank. The loan is secured by the Company's 24.01% operating interest and its 2.45% royalty interest in the Denton-Rawhide mine. The agreement with the bank, as amended in 1992, provided for two facilities.

The first facility is a 27,450 ounce gold loan that was valued at U.S. $10,012,000 based on the gold price of U.S. $364.75 per ounce at the time of closing in 1991. This facility carries a variable interest rate that was 1.15% at December 31, 1994 (1993 - 2.62%). The facility matures on June 30, 1998. As at December 31, 1994, and 1993, the loan was valued at $7,351,000 and $11,171,000 respectively, which was determined using the year end market value of U.S. $381.75 (1993 - U.S. $391.75) per ounce, extended by the 13,736 (1993 - 21,576) ounces of gold that remain outstanding under the loan agreement. The difference between this year end market value and the book value at the time of closing of $327,000 (1993 - $770,000) is included with Deferred Charges and is being charged to income as the gold loan is repaid.

The second facility provided a revolving line of credit for working capital purposes of up to U.S. $500,000 bearing interest at prime with a 0.25% commitment fee charged on the balance not drawn. On June 7, 1993, the balance outstanding under this facility was repaid and the facility subsequently cancelled.

A schedule of required quarterly repayments in ounces of gold, based on projected production, is prepared by the bank annually.

As at December 31, 1994, the required repayments over the next four years, before adjusting for a permitted deferral of one quarterly payment, translated into Canadian dollars at the year end exchange rate, are as follows:

	Ounces of Gold	
1995	4,116	$ 2,203
1996	5,194	2,780
1997	3,638	1,947
1998	788	421
	13,736	7,351
less current portion	(4,116)	(2,203)
	9,620	$ 5,148

The Company incurred interest expense of $251,000, $297,000 and $322,000 on the loan in 1994, 1993 and 1992, respectively.

11. Site Restoration Costs

The Company has accrued $3,890,000 as at December 31, 1994 (1993 - $1,192,000) for site restoration, of which $3,573,000 has been funded and was held in a separate account (included with cash and short-term investments) as at December 31, 1994. The balance will be funded in 1995.

Cash and short-term investments as at December 31 ,1993 included $7,000,000 held as security against collateralized letters of credit with respect to performance bonds relating to site restoration. This security obligation was released in 1994.

12. Share Capital

The authorized share capital of the Company is comprised of 470,000 Preferred Shares and an unlimited number of Common Shares.

(a) Preferred Shares

All of the 470,000 authorized and outstanding Preferred Shares are issued to a senior officer and director of the Company.

The holder of the Preferred Shares is entitled to receive an $0.80 per share fixed cumulative annual preferential cash dividend, payable in equal quarterly installments and, is entitled at any time to convert all or any part of the Preferred Shares into Common Shares on the basis of 8.255 Common Shares for each Preferred Share so converted, subject to anti-dilution adjustments. The Company may at any time redeem upon a minimum thirty day notice, all or any part of the Preferred Shares at a price of $10.00 per share, together with unpaid dividends accrued to the date of redemption. Commencing March 31, 1998, the holder of the Preferred Shares will be entitled to require the Company to redeem for cash all or any part of the Preferred Shares at this price.

(b) Common Shares

Transactions in the common shares include transactions of the amalgamating companies which reflect exchange ratios contemplated in the Arrangement (Note 2) effecting the amalgamation. A summary of common share transactions for the three years ended December 31, 1994 is as follows:

		1994		1993		1992
(thousands)	**Common Shares**	**$**	Common Shares	$	Common Shares	$
Balance January 1,	**82,705**	**114,488**	33,604	32,777	21,207	19,793
Issued:						
For consideration other than cash	**–**	**–**	24,092	35,200	17,166	17,833
Under stock option plan	**648**	**906**	645	490	840	400
Under executive incentive plan	**–**	**–**	–	–	80	53
Upon conversion of debentures	**–**	**–**	1,674	1,395	–	–
Upon conversion of special warrants and public offering	**13,700**	**73,751**	22,429	43,897	–	–
Upon exercise of private placement warrants	**753**	**1,250**	–	–	–	–
Upon exercise of share purchase warrants	**7**	**24**	–	–	–	–
For cash consideration	**–**	**–**	666	1,000	–	–
Purchased for cash and cancelled	**–**	**–**	(405)	(271)	(289)	(145)
Elimination of inter-company investment (Note 2)	**–**	**–**	–	–	(5,400)	(5,157)
Balance December 31	**97,813**	**190,419**	82,705	114,488	33,604	32,777

(i) SPECIAL WARRANTS

First Special Warrants

On July 8, 1993 the Company issued 12,429,378 First Special Warrants which were convertible into Common Shares without any additional payment, for total proceeds of $22,000,000. All of the First Special Warrants were converted into Common Shares during 1993.

Second Special Warrants

On August 8, 1993 the Company issued 10,000,000 Second Special Warrants which were convertible into Common Shares without any additional payment, for total proceeds of $25,000,000. All of the Second Special Warrants were converted into Common Shares during 1993.

Third Special Warrants

On April 28, 1994 the company issued 6,000,000 Third Special Warrants which were convertible into common shares without any additional payment for total proceeds of $25,500,000. All of the Special Warrants were converted into common shares during 1994.

(ii) PUBLIC OFFERING

On June 16,1994, the Company issued 7,700,000 common shares from treasury, for total proceeds of $51,975,000.

(iii) PRIVATE PLACEMENT

On June 22, 1993, the Company issued 666,666 Preference Shares in its wholly owned subsidiary, Kinross Gold U.S.A. Inc. ("Kinross U.S.A."), for total proceeds of $1,000,000. All of the Preference Shares of Kinross U.S.A. were converted into Common Shares during 1993.

(iv) STOCK OPTIONS

The Company has a stock option plan for directors, officers, and employees, enabling them to purchase Common Shares. The total number of options outstanding at any time cannot exceed 10% of the total number of outstanding Common Shares. Each option granted under the plan is for a maximum term of five years and is exercisable at any time, except for the options expiring subsequent to June 3, 1998 which are exercisable as to 33.33% each year, commencing one year after the date of grant. The exercise price is determined by the Board of Directors at the time the option is granted, subject to regulatory approval and may not be less than the most recent closing price of the Common Shares at the date of grant.

A summary of the Company's outstanding stock option transactions as at December 31, is as follows:

	1994	1993	1992
Outstanding at beginning of year	**2,583,000**	1,713,000	1,296,000
Granted	**195,000**	1,355,000	1,365,000
Exercised	**(648,666)**	(645,000)	(840,000)
Cancelled	**(81,000)**	(100,000)	(108,000)
Transferred upon amalgamation	**–**	260,000	–
Outstanding at end of year	**2,048,334**	2,583,000	1,713,000

The stock options outstanding at December 31, 1994, which expire at various dates to November 22, 1999 are exercisable at prices between $0.48 and $6.63 per share. Of the total stock options outstanding at December 31, 1994, 965,680 (1993 - 1,178,000, 1992 - 1,713,000) are currently exercisable. The average price which stock options were exercised in 1994 was $1.40 (1993 - $0.76, 1992 - $0.48). As at December 31, 1994 the average price at which options can be exercised is $1.99.

(c) Common Share Purchase Warrants

(i) PRIVATE PLACEMENT WARRANTS

As at December 31, 1994, common share purchase warrants entitling the holder to purchase 200,000 (1993 - 953,258) common shares of the Company remained outstanding. These warrants have an exercise price of $1.67 per share and expire on various dates to June 22, 1995. During 1994, 753,258 warrants (1993 - Nil) were exercised for total proceeds of $1,250,000.

(ii) FGC ACQUISITION WARRANTS

As part of the acquisition of FGC (Note 3), the Company issued 3,249,508 share purchase warrants. These warrants are convertible into one Common Share of the Company for $3.50, and expire December 31, 1996. On issue, these warrants were ascribed a value of $0.50 per warrant. During 1994, 6,744 share purchase warrants were exercised for total proceeds of $24,000 and 20,000 share purchase warrants were granted upon the exercise of stock options (previously granted by FGC). As at December 31, 1994, 3,262,744 share purchase warrants were outstanding (1993 - 3,249,508).

13. Income and Mining Taxes

(a) The income and mining tax expense related to operations are as follows:

	1994	1993	1992
Income taxes			
Current			
Canada	$ 1,013	$ 765	$ 14
Foreign	3,467	1,004	88
Deferred			
Canada	1,930	–	-
Foreign	1,268	393	-
Mining taxes			
Current - Canada	999	460	-
Deferred - Canada	1,648		
	$ 10,325	$ 2,622	$ 102

(b) The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate on earnings is as follows:

	1994	1993	1992
Combined statutory income tax rate	44.3%	44.3%	44.3 %
Increase (decrease) resulting from:			
Mining taxes	7.6	4.9	-
Resource allowance and depletion	(11.0)	(9.3)	-
Utilization of losses carried forward	(6.9)	(8.7)	71.4
Difference in foreign tax rates	(5.0)	(6.0)	(95.7)
Other	.5	2.6	3.2
Effective tax rate	29.5%	27.8%	23.2%

(c) Income before income and mining taxes and discontinued operations is as follows:

	1994	1993	1992
Canada	$ 16,207	$ 3,131	$ (3,597)
Foreign	18,776	6,292	4,037
	$ 34,983	$ 9,423	$ 440

(d) Deferred taxes result from timing differences that arise in recognizing income and expense for financial reporting at different times than for income and mining tax purposes. The timing differences relate principally to the difference between book depreciation and amortization and tax depreciation and depletion.

(e) Benefits arising on the utilization of prior years' tax losses available for carry forward in Canada were recognized as realized. As at December 31, 1994, the non-capital tax losses available for carry forward are $ Nil (1993 - $4,000,000).

The use of tax losses available for carry forward in the U.S. will be limited in any given year as a result of previous changes in ownership of the Company.

At December 31, 1993, the Company had available for income tax purposes unclaimed capital cost allowances and certain other expenditures which exceeded the net book value of the related assets by approximately $1,100,000. The tax benefit related to these items was recognized during 1994.

(f) For Canadian income tax purposes, certain Canadian assets owned by FGC were acquired from a related party for an amount in excess of book value. As a result, at December 31, 1994, there are deductions of $3,100,000 in excess of book value which are available to reduce future taxable income for federal tax purposes, the benefit of which is being recognized as realized.

(g) The following additional information is required in order to comply with the reporting requirements of the Statement of Financial Accounting Standards No. 109.

	Canada	U.S.	Foreign	Total
Deferred tax assets				
Accrued expenses and other	$ 144	$ –	$ –	$ 144
Non-capital loss carryforwards	–	3,920	–	3,920
	144	3,920	–	4,064
Gross deferred tax asset				
Valuation allowance for deferred tax asset	–	–	–	–
	144	3,920	–	4,064
Deferred tax liabilities				
Exploration expenses	–	3,920	–	3,920
Fixed assets	3,722	–	2,919	6,641
Gross deferred tax liabilities	3,722	3,920	2,919	10,561
Net deferred tax liabilities	$ 3,578	$ –	$2,919	$ 6,497

The net change in the valuation allowance for deferred tax assets was a decrease of $2,790,000.

14. Loss From Discontinued Operations

As at December 31, 1992, the Company adopted a plan to discontinue its oil and gas operations. Included in the loss from discontinued operations in 1992 of $1,481,000, is a write down of the assets of these operations of $942,000, the majority of which were disposed in 1993. During 1993, the carrying value of the unsold assets of $73,000 was written off and included in loss from discontinued operations.

15. Earnings Per Share

Basic earnings (loss) per Common Share have been calculated using the weighted daily average number of Common Shares outstanding during the year.

The calculation of fully diluted earnings (loss) per Common Share include the effects of the potential conversion of the preferred shares, stock options, FGC acquisition warrants and private placement share purchase warrants described in Note 12(c)(i).

16. Segmented Information

The Company operates in the gold mining industry in three countries: Canada, the United States, and Zimbabwe.

	1994	1993	1992
Mining revenue			
United States	**$ 75,761**	$ 30,030	$ 11,334
Canada	**32,631**	7,926	-
Zimbabwe	**17,445**	3,566	-
	$ 125,837	$ 41,522	$ 11,334
Depreciation and amortization			
United States	**$ 8,031**	$ 4,357	$ 2,522
Canada	**2,011**	636	-
Zimbabwe	**1,733**	647	-
	$ 11,775	$ 5,640	$ 2,522
Operating earnings (i)			
United States	**$ 15,436**	$ 5,489	$ 2,701
Canada	**12,775**	149	(239)
Zimbabwe	**3,597**	940	-
	$ 31,808	$ 6,578	$ 2,462
Identifiable assets by country			
United States	**$ 89,245**	$ 74,328	$ 36,111
Canada	**153,517**	66,869	10,520
Zimbabwe	**25,683**	13,266	-
	$ 268,445	$ 154,463	$ 46,631

(i) For purposes of this segmented information disclosure, operating earnings represent revenue including interest and other income less operating, general and administrative, exploration and property evaluation and depreciation and amortization expenses.

17. Contingencies

An action was commenced against FGC on January 16, 1992 for an undisclosed amount with respect to an alleged breach of contract by FGC in relation to its acquisition of the Bell Creek mining assets. A trial date was set for January 1995 and has now been extended to June 1995. The Company believes that the claim is without merit and intends to defend this action vigorously. Any outcome of the litigation is not determinable at this time and consequently no accrual has been made in the financial statements with respect to this action.

18. Commitments

As at December 31, 1994, in addition to the gold loan described in Note 9, the Company has gold and silver hedging commitments as follows:

	1995	1996	1997
Gold			
Spot-deferred			
Forward sales contracts (i)			
Ounces hedged	**63,200**	12,500	12,000
Average price (U.S. $ per ounce)	**406**	415	429
Average price (Cdn. $ per ounce) (v)	**569**	582	601
Silver (000's ounces)			
Spot-deferred			
Forward sales contracts (i)			
Ounces hedged	**800,000**	800,000	-
Average price (U.S. $ per ounce)	**5.82**	5.97	-
Average price (Cdn. $ per ounce) (v)	**8.15**	8.37	-
Put options purchased (ii) (iii)			
Ounces hedged	**2,055,000**	810,000	-
Average price (U.S. $ per ounce)	**4.71**	5.52	-
Average price (Cdn. $ per ounce) (v)	**6.60**	7.74	-
Call options sold (ii) (iii)			
Ounces hedged	**2,220,000**	1,620,000	-
Average price (U.S. $ per ounce)	**6.06**	5.52	-
Average price (Cdn. $ per ounce) (v)	**8.49**	7.74	-

(i) A spot deferred forward sales contract is a forward sale which earns a premium, or a contango in a forward market. The premium or contango earned increases as a function of time and interest rates.

(ii) A no-cost minimum/maximum option strategy ensures a minimum floor price by purchasing a put option, which is financed by selling a call option for a fixed ceiling price.

(iii) The 1996 minimum/maximum option strategy for 810,000 and 1,620,000 ounces of silver respectively was entered into subsequent to year end.

(iv) The market value of the hedging options at December 31, 1994, excluding (iii) above, was U.S. $248,000.

(v) The Canadian $ per ounce has been calculated using the year end exchange rate of (1.4017 Canadian dollars = 1.00 U.S. dollar).

19. Employee Pension Plans

The Company has several pension plans covering substantially all employees including certain employees in foreign countries. Details of the pension plans are as follows:

CANADA

Deferred Profit Sharing Plan

The Company has a deferred profit sharing plan covering substantially all the employees in Canada. The plan provides for basic contributions (which cannot be less than 3% of the member's compensation), service anniversary contributions and special one time contributions. In addition, there is an annual profit sharing contribution which cannot exceed 1.5% of the member's compensation. The pension expense for 1994 was $247,000 (1993 - $58,000).

ZIMBABWE

Service Bonus Fund ("SBF")

The Company participates in the Service Bonus Fund which provides for a maximum lump sum payment of $5,000 (ZIM $30,000) at retirement (age 60) or earlier in the event of death or long-term disability. At December 31, 1994, the SBF had an unfunded balance of $447,000 (ZIM $2,662,000) (1993-$395,000 (ZIM $2,451,000) which was included in accounts payable and accrued liabilities. The pension expense for 1994 was $52,000 (1993 $15,000).

UNITED STATES

Target Benefit Plan ("Target Plan")

The Target Plan was established under Plexus Resources Inc., to provide benefits for employees for long and loyal service. A valuation for this plan was performed every January, at which time a contribution was made by the employer for the prior year. This plan was discontinued on December 31, 1993. The pension expense for 1994 was $ Nil, (1993 - $57,000).

Candelaria / DeLamar Retirement Plan ("CDRP")

The CDRP pension plan is a defined benefit plan that was formed after the acquisition of the NERCO companies and was established to provide for the accrued benefits of the employees of the Candelaria and DeLamar mines. As at December 31, 1994 and 1993 the plan was fully funded and had assets of U.S. $3,600,000. No further benefits have accrued to the members of this plan after December 31, 1993. The pension expense for 1994 was $ Nil (1993 - $35,000).

401(K) Profit Sharing Plan

The 401(K) Profit Sharing Plan covers substantially all the employees of the United States. The 401(K) Profit Sharing Plan allows the employees to contribute a percentage (1% to 17%) of their compensation each year. The Company currently matches 50% of the employees contribution, up to 6% of annual compensation. The pension expense for 1994 was $186,000 (1993 - $18,000).

Money Purchase Plan

The Money Purchase Plan covers substantially all the employees of the United States. The Money Purchase Plan is funded entirely by the Company. The Company contributes 5% of the employees annual wages to this plan which resulted in a pension expense for 1994 of $385,000 (1993 - $ Nil).

20. Differences between Canadian and United States Generally Accepted Accounting Principles ("U.S. GAAP")

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") which differ in the following material respects from those principles and practices that the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

(a) Under Canadian GAAP, there is no requirement to accrue for post retirement benefits other than pensions. For U.S. GAAP reporting, beginning in 1993, (1994 for the Canadian operations), the Company adopted Statement of Financial Accounting Standard No. 106 ("SFAS 106"), which requires that post retirement benefits other than pensions be accrued over the period in which the employees become eligible for these benefits.

The Company's obligation for post retirement benefits other than pensions consists of the following:

(i) With respect to the wholly owned U.S. operations all participants are retired and thus the annual expense for these operations represents only the amortization of the related transition obligation.

(ii) With respect to the joint venture operation only staff employees are entitled to receive post retirement benefits, thus the annual expense consists of the accrual for benefits earned and the amortization of the related transition obligation.

(iii) With respect to the Canadian operations all employees are entitled to post retirement benefits thus the annual expense for 1994 consists of the amortization of the related transition obligation and future years will also include the accrual for benefits earned.

The adoption of SFAS 106 results in an estimated obligation for post retirement benefits other than pensions of approximately $2,044,000 as at December 31, 1994 (1993-$1,687,000), which the Company elected to amortize over ten years commencing in 1993 (nine years in Canada, commencing in 1994). For U.S. GAAP purposes, the effect of this adjustment represented by the annual accrual for benefits earned and the amortization of the transition obligation would be to reduce 1994 net income based on U.S. GAAP by $340,000 before income taxes and $261,000 after income taxes (1993-$180,000 before income taxes and $130,000 after income taxes).

(b) Under Canadian GAAP, direct expenses to effect a pooling of interest amalgamation are charged to retained earnings in the year incurred. Under U.S. GAAP, expenses incurred are included in the determination of income during the period. The effect of the amalgamation on May 31, 1993 (Note 2), reduced income in 1993 by $469,000.

(c) Canadian GAAP allows for the elimination of operating deficits by the reduction of stated capital attributable to common shares with a corresponding offset to the accumulated deficit. This reclassification, which the Company made in 1991, is not permitted by U.S. GAAP and would require in each subsequent year an increase in share capital and deficit of $6,518,000.

(d) Under U.S. GAAP companies must follow the requirements of Statement of Financial Accounting Standards No. 109 (SFAS 109) which requires the use of the liability method for measurement of tax liabilities. Application of this standard does not effect net income based on U.S. GAAP. Disclosures required under SFAS 109 are presented in Note 13 (g).

(e) Preferred shares are redeemable by the Company and mandatorily redeemable at the holder's option as described in Note 12(a). Under U.S. GAAP, preferred shares having such attributes are not considered permanent equity and should be presented outside the shareholders' equity component of the balance sheet. There is no impact on reported earnings or the determination of earnings per share as a result of this balance sheet reclassification.

(f) Under U.S. GAAP, advances described in Note 9 of the financial statements, which are secured by common shares of the Company and held by directors and officers of the Company are required to be netted against common share equity. U.S. GAAP financial reporting requires the Company to reduce common share capital by $515,000 and $202,000 as at December 31, 1994 and 1993 respectively.

(g) The Company has a portfolio of marketable securities that qualify as available for sale securities under Statement of Financial Accounting Standard No. 115 (SFAS 115). The Company's net unrealized gain on this portfolio of marketable securities was $845,000 as at December 31, 1994 (1993 - $2,302,000). The effect of this adjustment would be to increase the book value of the marketable securities and disclose the unrealized gain as a separate component of shareholders' equity until realized.

(h) The formation of the Company on May 31, 1993, qualifies under International Accounting Standard No. 22 (IAS 22), business combinations, as a uniting of interests and thereby has been accounted for as a pooling of interests. For the purpose of reconciliation to U.S. GAAP, the accounting complies with item 17 of Form 20-F and is different than that required by U.S. GAAP.

(i) There are certain other differences in the determination of net income and per share calculations between Canadian and U.S. GAAP, none of which had a material impact on any of the periods presented.

The following financial statements have been presented according to U.S. GAAP and in accordance with item 17 of Form 20-F and include the above adjustments.

CONSOLIDATED BALANCE SHEETS

(expressed in U.S. GAAP in thousands of Canadian dollars)

	1994	1993
ASSETS		
Current Assets		
Cash and short-term investments	**$ 114,717**	$ 39,098
Bullion settlements and other accounts receivable	**13,673**	7,869
Inventories	**17,407**	8,191
Marketable securities *(Note 20(g))*	**2,498**	9,703
	148,295	64,861
Mineral Properties, Plant and Equipment	**113,954**	87,461
Long-Term Investments	**5,420**	2,631
Deferred Charges and other *(Note 20(f))*	**1,106**	1,610
	$ 268,775	$ 156,563
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 20,437**	$ 14,554
Current portion of gold loan	**2,203**	3,123
	22,640	17,677
Gold Loan	**5,148**	8,048
Site Restoration Costs	**3,890**	1,192
Post Retirement Obligations *(Note 20(a))*	**520**	180
Deferred Income Taxes *(Note 20(a))*	**6,368**	1,555
Preferred shares (retractable) *(Note 20(e))*	**4,700**	4,700
	43,266	33,352
SHAREHOLDERS' EQUITY		
Common shares *(Note 20(c)(f))*	**196,422**	120,804
Share purchase warrants	**1,631**	1,625
Retained earnings (deficit) *(Note 20 (a)(c)(g))*	**21,867**	(2,154)
Unrealized gain on held for sale securities *(Note 20(g))*	**845**	2,302
Foreign currency translation adjustment	**4,744**	634
	225,509	123,211
	$ 268,775	$ 156,563

CONSOLIDATED STATEMENTS OF INCOME

(expressed in U.S. GAAP in thousands of Canadian dollars)

	1994	1993	1992
Revenue			
Mining revenue	$125,837	$ 41,522	$ 11,334
Interest and other income	5,227	2,259	487
	131,064	43,781	11,821
Expenses			
Operating *(Note 20(a))*	78,287	26,581	4,947
General and administrative *(Note 20(b))*	6,667	4,639	1,646
Exploration and business development	2,867	992	244
Depreciation and amortization	11,775	5,640	2,522
	99,596	37,852	9,359
Income Before Undernoted	31,468	5,929	2,462
Gain (loss) on sale of marketable securities	1,370	2,705	(558)
Gain on sale of long-term investments	–	493	1,597
Foreign exchange gain and other	2,531	–	–
Equity (loss) income in associated companies	(530)	(115)	105
Write down of marketable securities	–	–	(2,847)
Dividend income	120	200	–
Interest expense	(316)	(438)	(319)
Income Before Taxes and Discontinued Operations	34,643	8,774	440
Income and mining taxes *(Note 20(a))*	(10,246)	(2,572)	(102)
Income from Continuing Operations	24,397	6,202	338
Loss from discontinued operations	–	(73)	(1,481)
Net Income for The Year	$ 24,397	$ 6,129	$ (1,143)
Net Income (Loss) Per Share-Basic	$ 0.26	$ 0.10	$ (0.04)

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

(expressed in U.S. GAAP in thousands of Canadian dollars)

	1994	1993	1992
Net Inflow (Outflow) of Cash Related to the Following Activities			
Operating			
Net income from continuing operations *(Note 20(a)(b))*	$ **24,397**	$ 6,202	$ 338
Items not affecting cash			0
Depreciation and amortization	**11,775**	5,640	2,522
Gain on sale of marketable securities	**(1,370)**	(2,705)	558
Gain on sale of long term investments	**-**	(493)	(1,597)
Write down of marketable securities	**-**	-	2,847
Deferred income taxes *(Note 20(a))*	**4,767**	(50)	-
Site restoration	**2,698**	883	-
Other *(Note 20(a))*	**(228)**	422	(99)
	42,039	9,899	4,569
Changes in non-cash working capital			
Bullion settlements and other accounts receivable	**(5,804)**	(5,626)	(421)
Inventories	**(7,404)**	(2,129)	(1,079)
Marketable securities	**7,118**	(508)	(5,757)
Accounts payable and accrued charges	**5,833**	5,924	230
Effects of exchange rate changes	**1,113**	-	-
Debentures payable	**-**	-	(250)
Net cash provided by discontinued operations	**-**	-	117
	42,895	7,560	(2,591)
Financing			
Issuance of common shares and special warrants, net *(Note 20(f))*	**75,627**	81,661	18,068
Exercise of share purchase warrants, net	**6**	1,625	-
Issuance of preferred shares	**-**	4,700	-
Convertible debentures converted	**-**	(1,395)	-
Preferred share dividends	**(376)**	(282)	-
Formation costs	**-**	-	-
Repayments of gold loan	**(4,252)**	(1,405)	(1,582)
	71,005	84,904	16,486
Investing			
Additions to mineral properties, plant and equipment	**(36,010)**	(5,544)	(4,830)
Business acquisitions net of cash acquired	**-**	(50,225)	-
Notes receivable and investments *(Note 20(f))*	**(2,271)**	(3,369)	(6,307)
Proceeds from the sale of long-term investments	**-**	625	1,788
	(38,281)	(58,513)	(9,349)
Increase in Cash and Short-Term Investments	**75,619**	33,951	4,546
Cash and Short-Term Investments - Beginning of Year	**39,098**	5,147	601
Cash and Short-Term Investments - End of Year	$ **114,717**	$ 39,098	$ 5,147

21. Changes in Reporting Currency

Effective January 1, 1995, the Company will change its reporting currency to the U.S. dollar since the majority of the Company's revenues are denominated in U.S. dollars.

SUPPLEMENTAL INFORMATION

Quarterly data

(Unaudited)

	MARCH QUARTER		JUNE QUARTER		SEPTEMBER QUARTER		DECEMBER QUARTER		FULL YEAR	
	1994	1993	1994	1993	1994	1993	1994	1993	1994	1993
Revenue										
Mining revenue	$ 25,776	$ 2,098	$ 32,015	$ 2,669	$ 36,673	$ 9,634	$ 31,373	$ 27,121	$125,837	$ 41,522
Interest and other income	500	149	1,020	206	1,525	(112)	2,182	2,016	5,227	2,259
	26,276	2,247	33,035	2,875	38,198	9,522	33,555	29,137	131,064	43,781
Expenses										
Operating	16,668	1,014	20,317	1,310	21,161	6,618	19,801	17,459	77,947	26,401
General and administrative	1,298	405	1,548	1,026	1,491	903	2,330	1,836	6,667	4,170
Business development and exploration	149	277	459	177	636	34	1,623	504	2,867	992
Depreciation and amortization	2,654	509	2,858	586	3,191	1,523	3,072	3,022	11,775	5,640
	20,769	2,205	25,182	3,099	26,479	9,078	26,826	22,821	99,256	37,203
Operating income	5,507	42	7,853	(224)	11,719	444	6,729	6,316	31,808	6,578
Gain on sale of marketable securities	283	76	541	1,025	156	832	390	772	1,370	2,705
Gain on sale of long-term investments	–	–	–	–	–	–	–	493	–	493
Foreign exchange and other	592	–	159	(20)	(437)	–	2,217	20	2,531	–
Equity loss in associated companies	–	–	–	–	(326)	(36)	(204)	(79)	(530)	(115)
Write down of marketable securities	–	(80)	–	80	–	–	–	–	–	–
Dividend income	120	–	–	–	–	100	–	100	120	200
Interest expense	(85)	(74)	(83)	(46)	(73)	(145)	(75)	(173)	(316)	(438)
Loss from discontinued operations	–	–	–	–	–	–	–	(73)	–	(73)
Income before taxes	6,417	(36)	8,470	815	11,039	1,195	9,057	7,376	34,983	9,350
Income taxes	1,683	-	2,073	11	4,018	16	2,551	2,595	10,325	2,622
Net income for the period	$ 4,734	$ (36)	$ 6,397	$ 804	$ 7,021	$ 1,179	$ 6,506	$ 4,781	$ 24,658	$ 6,728
Net income per share										
Basic	$ 0.06	$ 0.00	$ 0.06	$ 0.01	$ 0.08	$ 0.02	$ 0.07	$ 0.08	$ 0.27	$ 0.11
Fully diluted	$ 0.05	$ 0.00	$ 0.06	$ 0.01	$ 0.07	$ 0.02	$ 0.06	$ 0.06	$ 0.24	$ 0.09

SUMMARIZED FOUR YEAR REVIEW	1994	1993	1992	1991
OPERATING RESULTS (in thousands)				
Revenue	$131,064	$43,781	$ 11,821	$ 9,493
Net income (loss) for the year	24,658	6,728	(1,143)	343
Operating cash flow	42,039	10,368	4,569	2,433
Capital expenditures	36,010	5,544	4,830	4,432
FINANCIAL POSITION (in thousands)				
Cash and short-term investments	$114,717	$39,098	$ 5,147	$ 601
Working capital	124,810	46,644	43,435	(1,353)
Total assets	268,445	154,463	46,631	34,566
Long term portion of gold loan	5,148	8,048	8,741	9,484
Net shareholders' equity	230,270	125,941	31,774	18,781
Debt to equity ratio	2%	6%	28%	50%
OPERATING STATISTICS (unaudited)				
Gold production (ounces)	174,165	67,702	24,170	19,940
Silver production (ounces)	5,152,000	1,320,000	213,000	134,000
Operating cost per equivalent ounce of gold (U.S. $)	$ 233	$ 245	$ 154	$ 240
PER SHARE DATA				
Net income (loss) per share basic	$ 0.27	$ 0.11	$ (0.04)	$ 0.02
Net income (loss) per share fully diluted	0.24	0.09	(0.04)	0.02
Operating cash flow per share	0.45	0.18	0.15	0.11

CORPORATE DATA

DIRECTORS

John A. Brough [1,2]
Senior Vice President
& Chief Financial Officer
Markborough Properties Inc.

Robert M. Buchan
Chairman, President
& Chief Executive Officer
Kinross Gold Corporation

Arthur H. Ditto
Executive Vice President
& Chief Operating Officer
Kinross Gold Corporation

Ned Goodman [2]
Chairman, President
& Chief Executive Officer
Dundee Bancorp Inc.

John M.H. Huxley [1,2]
President
Algonquin Power Corporation Inc.

Garth A.C. MacRae [1]
Vice Chairman
Dundee Bancorp Inc.

John E. Oliver
Senior Vice President,
Real Estate Banking
Bank of Nova Scotia

Terrence C.W. Reid
Vice Chairman
Wood Gundy Inc.

David B. Rovig
President
Greystar Resources Ltd.

1 Member of the Audit Committee
2 Member of the Compensation Committee

OFFICERS

Robert M. Buchan
Chairman, President
& Chief Executive Officer

Arthur H. Ditto
Executive Vice President
& Chief Operating Officer

Brian W. Penny
Vice President, Finance
& Chief Financial Officer

Allen S. Gordon
Vice President, Technical Services

Garry M. Hughes
Vice President

Gordon A. McCreary
Vice President

Carl F. Zuber
Vice President

Shelley M. Riley
Corporate Secretary

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Kimball Parr Waddoups Brown & Gee
Salt Lake City, Utah

AUDITORS

Deloitte & Touche
Toronto, Ontario

BANKERS

Bank of Nova Scotia
Toronto, Ontario

Republic National Bank of New York,
New York, N.Y.

TRANSFER AGENT & REGISTRAR

Montreal Trust Company of Canada
Toronto, Ontario

The Bank of Nova Scotia Trust Company of New York
New York, N.Y.

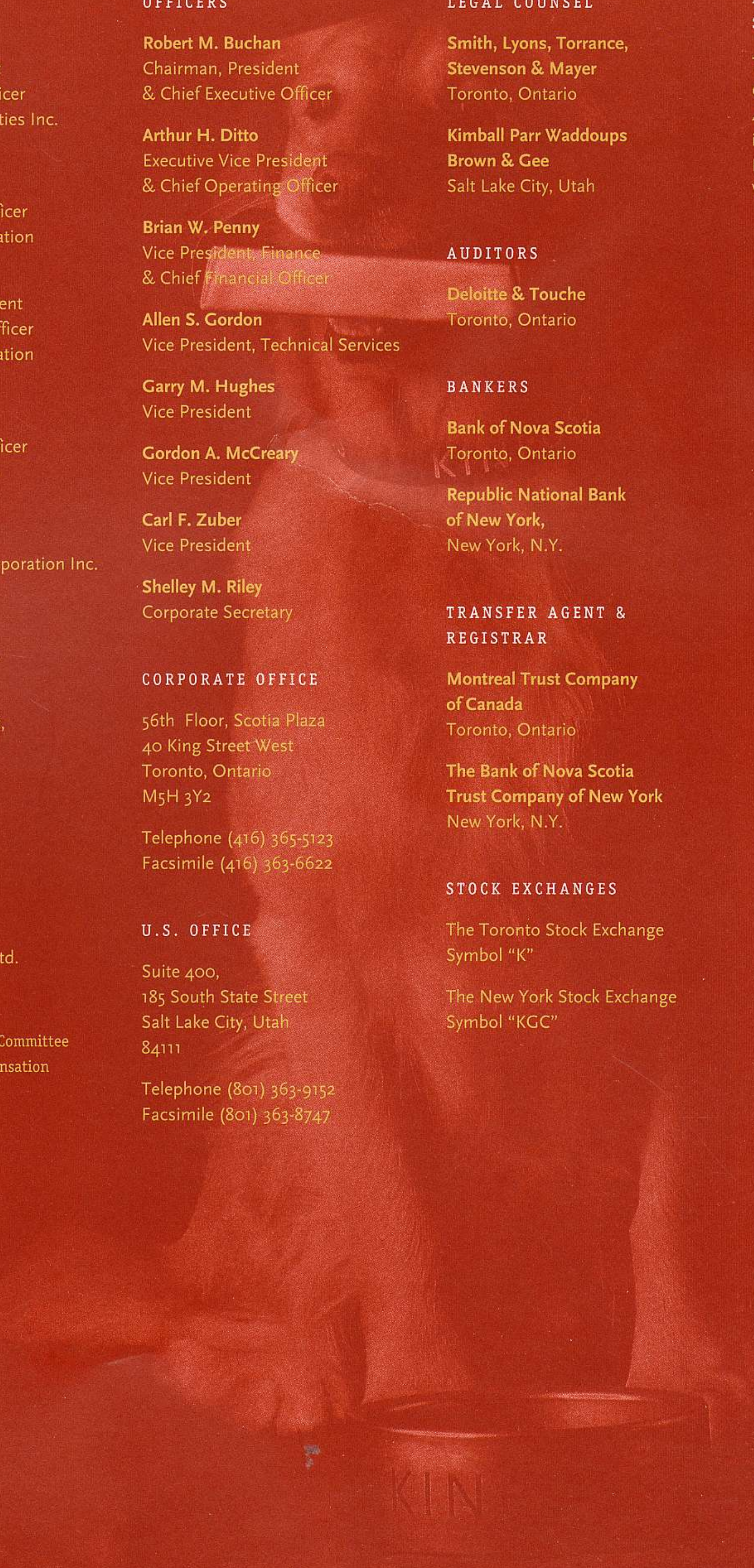
STOCK EXCHANGES

The Toronto Stock Exchange
Symbol "K"

The New York Stock Exchange
Symbol "KGC"

ANNUAL AND SPECIAL SHAREHOLDERS' MEETING

The Annual and Special Meeting of Shareholders will be held at 4:30 p.m. on Thursday, May 4, 1995 in The Toronto Ballroom I, Toronto Hilton Hotel, 145 Richmond Street West, Toronto, Ontario.



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