

TRUE NORTH PROJECT DESCRIPTION

Prepared by

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1.0 INTRODUCTION

1.1 Overview

This True North Project Description document updates the project description prepared by Fairbanks Gold Mining, Inc. (FGMI) in February 2000. This current project description incorporates changes made by FGMI as a result of its ongoing design and analysis process, as well as those changes made in response to agency and public review and comment on the original description.

The purpose of this document is just to describe the project, i.e., how the project would be developed. As a result of in-pur received from the public comment period during the permitting process, FGMI has responded to the issues by altering the foot print of the project, which has decreased the number of delineated jurisdictional wetlands disturbed from 162 acres to 66 acres and avoided cultural resource sites, i.e. the Davidson Ditch. The overall disturbed acreage within the Millsite Lease area has been reduced from 362 acres to 245 acres. The access haul road crossing of the Steese Highway has also been modified from an on grade crossing to an underpass to address concerns of safety on that portion of the Steese Highway.

Other project-related information gathered by FGMI and its consultants is available in separate baseline and technical reports as referenced in this document.

The True North Project operator is by FGMI, a wholly owned subsidiary of Kinross Gold Corporation. FGMI owns 65% of the True North Venture with the remaining 35% owned by LaTeko Resources, Inc. another wholly owned subsidiary of Kinross Gold Corporation. The True North Venture has lease agreements with the underlying claim owners. The agreements include the area of the Millsite Lease and additional claims within the overall exploration area listed in Section 1.2.

The True North Project is within the Chatanika River watershed located on the northwest flank of Pedro Dome approximately 25 miles northeast of Fairbanks (Figures 1-1 and 1-2). The ridgelines drain into Murray Creek, a tributary of Dome Creek to the south; and Louis Creek, Whiskey Gulch, and Spruce Creek, tributaries of Little Eldorado Creek to the north.

FGMI has completed sufficient drilling of the True North Project exploration area to define a proven and probable gold reserve of approximately 459,000 ounces in the northeast portion of the defined mineralized area. The True North Project is currently the only exploration property with reserves sufficiently defined to warrant moving forward with permitting within FGMI's exploration holdings (approximately 59,000 acres excluding the Fort Knox Millsite Lease area). The development of yet undefined mineable ore bodies within the exploration area in addition to the True North Project have the potential to extend the current Fort Knox operations and mine life (estimated between 8 and 10 years) and minimize environmental impacts by utilizing an existing mill facility and zero discharge tailing storage impoundment. FGMI will continue exploration and development within its exploration land holdings. Within the Fairbanks Mining District there are also over 100,000 acres of mineral claims held by other mineral development companies and individuals that may provide additional opportunities.

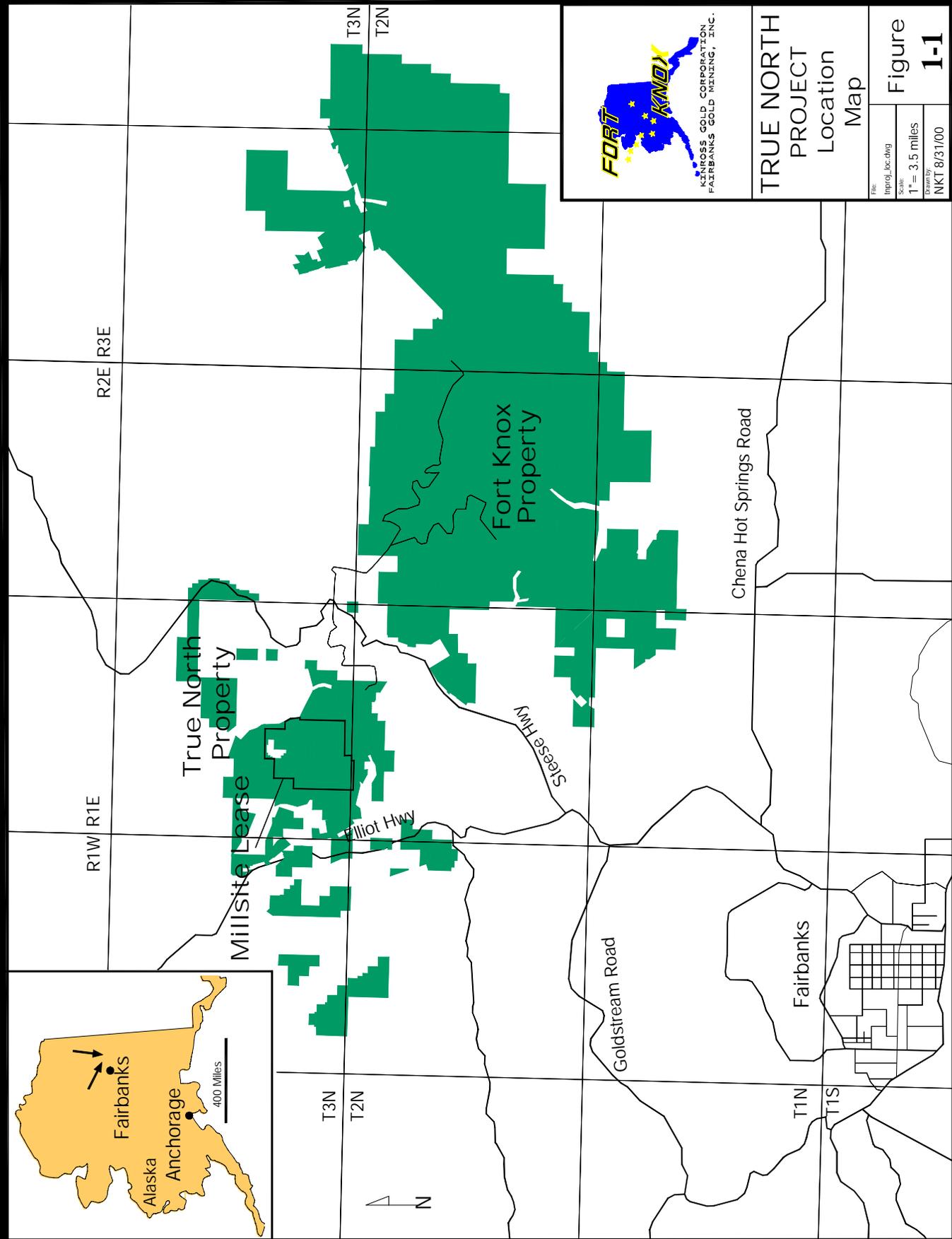
The True North deposit is hosted by calcareous and carbonate-altered schist. The ore body is elongated northeast gently dipping to the southwest. The estimated reserves for the True North "Hindenburg" and "East" pits are 7.2 million tons, averaging 0.063 oz/t. FGMI exploration crews are currently drilling to further define mineralization in the area. Exploration activities will continue while mining the Hindenburg and East pits at the True North Project in order to locate possible areas for expansion and additional development. As exploration drilling confirms additional reserves, FGMI will submit requests for modification to the Plan of Operations, Reclamation Plans, and any other required permits as development plans become defined. These modifications will require approval by the appropriate state and federal agencies prior to initiation of development work.

Sampling and data collection will include metallurgical characterizations of the ore and development rock. Other activities will include environmental baseline studies, hydrologic studies, laboratory and pilot plant tests for process design and ore grindability, geotechnical studies, and basic engineering studies for project design and permitting.

The mine will operate year-around with conventional open pit mining averaging 30,000 tons per day, at a 2:1 strip ration with an average of 82.6% recovery, and producing approximately 180,000 ounces of gold annually. Mining will be similar to a gravel pit or rock quarry; therefore no process components will be present at the property. Approximately 10,000 tons of ore per day will be trucked to the Fort Knox mill for processing. Mining of the Hindenburg and East pits are projected to begin in the fourth quarter of 2000 and continue for approximately three years. Development costs are estimated to be between \$20 and \$30 million.

The mine's estimated annual operating expenditures for labor, power, and support services are \$14 million. Most of these expenditures occur in Fairbanks and throughout Alaska. The operations expected to create 100 to 110 new jobs.

The project design is based on exploration drilling results and feasibility studies. Feasibility studies included environmental baseline studies and alternative analyses that are consistent with Kinross Gold Corporation's Environmental Policy (Appendix A).



**TRUE NORTH
PROJECT
Location
Map**

File: Inproj_loc.dwg
Scale: 1" = 3.5 miles
Drawing: NKT 8/31/00

**Figure
1-1**

1.2 Project Location and Land Status

The True North Project is located 25 miles northeast of Fairbanks, on the northwest flank of Pedro Dome. Historic access to the True North Project is accessed via the Steese Highway to Cleary Summit, then 6.5 miles via a gravel road skirting the south side of Pedro Dome. The new access/haul road (approximately 0.5 miles south of Cleary Summit) follows a new road alignment along the north side of Pedro Dome.

The True North Project area consists of a mixture of 388 state claims, 65.5 acres of federal patented land owned by Kinross, 401.2 acres of federal patented land under lease, and 4.68 acres of private real estate under lease. FGMI has applied for a Millsite Lease (Figure 2-1) for development within a portion of the True North Project area. More specifically, the True North Project Millsite Lease is located in portions of Sections 21, 27, 28, 29, 32 & 33, T3N, R1E, Fairbanks Meridian. The area within the Millsite Lease covers 2,096 acres with 79 state mining claims

1.3 History

1.3.1 Area History

In 1901, Felix Pedro and Tom Gilmore discovered gold in a gravel bar near the mouth of Fish Creek; however, they decided not to stake the discovery because they considered it to be only a spring freshet deposit and not a valuable placer deposit (Parker, 1929). They continued prospecting in the area; and, on July 22, 1902, Pedro made a discovery on Pedro Creek starting a stampede into what became the Fairbanks District (Parker, 1929).

Pedro's discovery resulted in the establishment of Fairbanks as a major mining center (Cashen, 1971). By 1904 Fairbanks had become one of the principal gold producing districts in Alaska. Placer production peaked in 1909 (Parker, 1929) marking a transition from the relatively low grade, easily mined shallow placers to the high grade, underground "drift mines" (Parker, 1929). Between 1903 and 1930 an estimated 3.9 million ounces of placer gold and 100,000 ounces of lode gold were recovered from the district (Hill, 1933).

During the boom years of 1903 to 1905 (Cashen, 1971), towns sprang up on numerous creeks throughout the region (Wold, 1971). In 1908, 5,000 people lived in Fairbanks and another 5,000 lived in the surrounding area. By 1910, however, the Fairbanks population had dwindled to 1,500 (Cashen, 1971). Mining activity steadily declined from 1910 to 1915 (Anon., 1916) and continued to drop until the 1920's when dredges were introduced. The U.S. Smelting, Refining, and Mining Company dba Fairbanks Exploration Company (F.E. Co.) operated 12 dredges in the Fairbanks Mining District in 1930, but in 1953 only six operating dredges remained (Cooley, 1954). Mining activity rose from the late 1920's until World War II when gold mining was suspended under the war moratorium. Activity remained low until the price of gold began to rise in the 1970's.

Lode gold mining did not start in the Fairbanks District until 1910 (Brooks, 1915) and it peaked in 1913 (Hill, 1933) when 10 mills were operating (Brooks and others, 1914). Lode mining declined during the First World War (Hill, 1933) and revived after

construction of the Alaska Railroad in 1923 (Boswell, 1979). Total lode gold production from the Fairbanks District to 1960 was 239,247 ounces (Cobb, 1973).

In 1984 lode gold mineralization was discovered at what was to become the Fort Knox Mine. Between 1987 and 1991, a number of companies were involved for varying lengths of time in exploration and pre-development of the Fort Knox Project. In January 1992, Amax Gold Inc. (AGI) acquired 96 percent ownership of Fairbanks Gold Ltd., a publicly held British Columbia corporation, and merged with Gilmore Gold Inc., a closely held Delaware corporation, into AGI. On March 31, 1992, AGI acquired the remaining 4 percent of Fairbanks Gold Ltd., thus obtaining full ownership of the Fort Knox Project. AGI established FGMI as the operating company for the mine. On June 1, 1998 AGI and Kinross Gold Corporation merged. FGMI is a wholly owned subsidiary of Kinross Gold Corporation.

Construction of the Fort Knox Mine began in the first quarter of 1995 and processing of ore commenced November 1996. Commercial production was achieved March 1997 and gold production has remained at approximately 350,000 ounces of gold annually. The mine employs approximately 260 workers and generates a positive \$107 million impact on the local economy (McDowell Group, 1999 – available through the Fairbanks North Star Borough).

1.3.2 History of the True North Project

Major Placer Mining Activity

In 1924, the F.E. Co. began purchasing large tracts of land and constructing a water conveyance system, the Davidson Ditch, in preparation for dredging activities. The Davidson Ditch was an engineering milestone that consisted of approximately 90 linear miles of hydraulic ditch, flumes, and siphons.

Dredging in the drainages surrounding Pedro Dome began in 1924 on Cleary Creek when the Chatham Gold Dredging Company built a 1.5-cubic foot dredge. It was located at the mouth of Chatham Creek. In 1928, a 10-cubic foot dredge owned by F.E. Co. started mining on lower Cleary Creek and worked the Chatanika Flats. A third dredge started mining on the middle of Cleary Creek in 1929. This third dredge was a 6-cubic foot model owned by F.E. Co. After 18 years of successful operation, this dredge was moved to Little Eldorado Creek in 1947 and operated in the middle reaches of the creek. After eight years on Little Eldorado Creek, the dredge was moved to Dome Creek, where it currently sits. Dredging ended in Dome Creek in 1959. All F.E. Co. dredging operations were discontinued by 1964 (Higgs, 1996). Smaller scale placer mining operations have continued in Little Eldorado Creek and Dome Creek up to the present time.

Lode Mining Activity

The largest lode production from mines in the immediate True North area came from the Soo property, also known as the Spaulding, patented in June 1913. From 1912 to 1914, this mine produced \$75,000 - \$100,000 with the gold price at \$20.67 per ounce. Other lode mines and prospects in the True North area are the Newsboy, Sunrise, Robinson, Hidden Treasure, and Dome View. The Dome View was staked in 1917, on the north flank of Pedro Dome at the 2,000-foot elevation by the Wackwitz Brothers. The adit was 145-feet long and attained a depth of 100-feet. The vein was 12 to 40-inches wide, averaging 30-inches. The Newsboy mine is two miles north-northeast of Pedro Dome. The veins on this property were extensively stoped. The original shaft was 350-feet deep (Hill, 1933).

Poz and Contardi worked the Hindenburg mine, located in the heart of the True North Project, producing stibnite during the summer of 1916. A 25-foot shaft accessed their drifts. During WWI approximately 200 tons of high-grade stibnite ore were shipped.

John Rogash located the Ohio claims in the East pit area in 1916 and three shallow shafts were dug on a quartz-stibnite vein striking east west (Hill, 1933).

In 1942, Mike Myntti drove a 140-foot crosscut and installed a stamp mill at the Hindenburg Mine, centrally located within the Hindenburg pit. The mineralized zones are variably described as nearly flat lying or dipping 60 degrees SE (Haskins, 1981). During this same year Myntti worked on the Markovich property, near the south end of the proposed Hindenburg pit, shipping 16-tons of ore containing 38% antimony, which was taken from small pods and stringers (Joesting, 1942).

The Chomco claims covering the northern portion of the True North Project were purchased and worked in the late 1960's and early 1970's by Frank Mate and Richard Raines who discovered five mineralized zones using geochemical prospecting. Various lessees have continued excavation of the Hindenburg area and have explored the Ohio prospect and the south trench area.

In 1990, Amax Gold Incorporated (AGI) negotiated a mining lease on the Chomco claims. A 4-hole, 1,000-foot, drilling program was completed in 1991. These results prompted expansion of the property position by acquiring the Shepard claims in the winter of 1991 and by staking the open ground in Spruce Creek in the fall of 1991. An expanded exploration program in 1992 included soil sampling, a geophysical survey, trenching, and a 16-hole, 5,332-foot drilling program.

In 1993, AGI sold their interest in the True North property to La Teko Resources, Inc. Between 1993 and 1994, La Teko drilled 57,302-feet of exploration holes. In 1995, Newmont Exploration Limited (NEL) and La Teko formed a joint venture (65%: 35% respectively) to explore the property. Between 1995 and 1998, NEL completed a multi-faceted exploration program that included extensive soil sampling, wetland delineation and cultural resource surveys, geophysical surveys, trenching, drilling, metallurgical testing, geological interpretation, computer modeling, and reserve definition.

In 1999, Kinross acquired La Teko and purchased Newmont's 65% interest in True North. A 14,000-foot drilling program was completed to further define reserves in the

Hindenburg area and to define area hydrology, material characterization for acid rock drainage (ARD) potential, geotechnical survey, permafrost evaluation, and the mineralized area to be encompassed by the prospective Millsite Lease area for the True North Project.

1.4 Geology

1.4.1 Regional Geology

The True North deposit is located within the Yukon-Tanana terrane, which is bounded on the northeast by the Tintina fault and on the southwest by the Denali fault. The Yukon-Tanana terrane consists of accreted metamorphic rock of primarily sedimentary origin that were subjected to greenschist, amphibolite, and eclogite-facies grade metamorphism. Intermediate to felsic plutons and stocks intruded the metamorphic rocks during the Cretaceous Period (85 – 95 million years ago).

The Yukon-Tanana metamorphic rocks, within the Fairbanks mining district, are primarily composed of the Chatanika terrane and the Fairbanks Schist. The Chatanika terrane is postulated to have been thrust over the Fairbanks Schist prior to retrograde metamorphism of both units to greenschist facies and the Cretaceous intrusive activity. High angle northeast striking faults transect the district and offset all rock types.

1.4.2 True North Deposit

The True North property is bisected by the high angle northeast striking Eldorado Fault that emplaced the Fairbanks Schist, in a high angle contact with the allochthonous Chatanika terrane. The True North deposit occurs in a structurally complex mineralized zone within the Chatanika terrane, parallel to the Eldorado Fault. Ore zones are typically gently dipping, variably brecciated zones that may be related to regional thrust faulting. The thickness and shape of the breccia zones are widely variable and appear to have been modified by higher angle faults.

Calcareous and carbonate-altered schist of the Chatanika terrane hosts the True North deposit. These rocks have been subdivided into three main lithologic subunits: (1) a slate unit consisting of slate and fine-grained carbonaceous quartzite; (2) a mafic schist unit consisting of chlorite-biotite-amphibole schist, eclogite, amphibolite, and marble; and (3) a felsic unit consisting of muscovite schist, quartz-muscovite-biotite schist, and quartzite. The felsic and mafic schist units are the main hosts for gold at True North.

Fine-grained gold is closely associated with pyrite, arsenopyrite, and (less directly) stibnite in the unoxidized portion of the True North deposit. Gold occurs in drusy quartz veins and altered and brecciated schist adjacent to the quartz veins. The most intensely mineralized zones are graphitic breccias with numerous quartz–carbonate-sulfide veins. Less intensely mineralized zones contain fewer quartz veins in variably brecciated, iron carbonate and calcium carbonate altered schist. Weakly mineralized to unmineralized zones are calcite-altered and are locally brecciated.

A third-party review by SRK of both ore and development rock characterization found that the True North Project rock has very low potential for acid generation, but the rock

is naturally oxidized and some of the oxidation products are potentially soluble. Additional geochemical characterization of the ore and development rock are ongoing and will continue throughout the mine life.

2.0 FEASIBILITY STUDIES

2.1 Baseline Analysis

2.1.1 Environmental Analysis

FGMI has augmented previous baseline studies with additional evaluations to further identify the existing site conditions and potential impacts associated with development of the project. The compilation of all environmental baseline work performed at the True North Project consists of five main components:

1. Surface and Ground Water Hydrologic Studies
2. Wetland delineation (3)
3. Cultural resource survey (2)
4. Flora and Fauna Surveys (Threatened and Endangered Species)
5. Socioeconomic Evaluation
 - A) Visual impacts
 - B) Land uses/values
 - C) Noise impacts
 - D) Traffic impacts

Some earlier surface hydrologic data with limited static levels from exploration drill hole logs were available. However, the information was preliminary and incomplete to identify the hydrology of the area. FGMI, in order to understand the overall hydrologic regime, began surface water sampling and groundwater delineation in September of 1999. The evaluation included the review of weather/climatic data available for the region and the True North Project area. The water baseline program for both surface water and groundwater hydrology has been augmented and includes installation of five-(5) thermistors to evaluate permafrost impacts on groundwater hydrology. Nine (9) groundwater-monitoring wells were installed in December 1999 and sampling began in January 2000. Results from the hydrologic studies indicate that the Hindenburg and East pits are dry. Mining operations will not intersect the ground water table. Mine plans will be adjusted to insure that the maximum pit depth does not intersect the water table and an adequate buffer of insitu material remains above the water table to avoid adverse impacts to both surface and ground water quality. Monitoring and sampling will continue through development, operations, reclamation, and closure (True North Project Monitoring Plan).

ABR, Inc. performed three wetland delineations for True North. No high value wetlands are located within the Millsite Lease area. The impacted wetlands are associated with permafrost and have vegetative cover of black spruce and a moss mat. Similar type wetlands are abundant in the True North Project area and surrounding region (ABR, Inc., 1996, 1997). Approximately 64 acres of wetlands will be disturbed due to roads and pit development. The office, shop, explosive storage area, development rock dumps, growth medium stockpile and ore stockpile will all be located on uplands.

Northern Land Research, Inc. performed three cultural resource surveys covering the exploration area (including the Millsite Lease area) and the access/haul road from the Steese Highway. From these studies, it was determined that a total of 38 known historic properties are located within the current True North Project claim boundary. Of these 38 historic properties, only five are expected to require additional levels of documentation (four from the Spruce Creek area and one from the Dome Creek area). All five sites, including the Davidson Ditch are outside of the proposed Hindenburg/East pits, ancillary facilities development (i.e. growth medium/development rock dumps, shop, and explosive storage) and access road from True North to the Fort Knox Mill.

ABR, Inc performed reconnaissance-level evaluations of threatened and endangered species on five separate occasions (September 1995, May-June 1996, May-June 1997, May-June 1998, and May 2000) in the True North Project area. The conclusion of the evaluations are, the True North Project area does not currently support any threatened or endangered species, but does support populations of three species of concern: Northern Goshawk, Olive-sided Flycatcher, and lynx. Populations of these species appear to be present in numbers similar to other locations in interior Alaska. Suitable habitats for these species are abundant in the True North area and surrounding region.

The socioeconomic baseline report identified population and demographic, local and regional economies, regional and community facilities and services, project area land use (including mining and recreational uses), transportation, visual resources (including view shed and lights), and noise and vibration. The evaluations were conducted as near as one mile and as far as \pm 8 miles (Mining Public Consent, LCC).

The complete noise and vibration analysis covered both winter and summer baseline field studies and evaluated the affects from traffic associated with the True North Project and the access/haul road.

Information collected from the baseline studies assisted in the development of the mine operations plan and access/haul road alignment.

2.2 PROCESSING, ORE TRANSFER, AND ACCESS/HAUL ROAD

2.2.1 Processing

The Fort Knox Mine has a conventional milling facility within 12.5-miles of the True North Project ore deposit. The use of this existing facility will require no processing component on the True North Project mine site. FGMI has requested modification of the Alaska Department of Environmental Conservation (ADEC) Solid Waste Disposal Permit for the Fort Knox Mine (#0031BA008) to allow compatible ore from satellite pits to be trucked to the Fort Knox mill for processing. The revised Solid Waste Disposal Permit would require FGMI to conduct specific satellite ore characterization tests and demonstrate that there will be no significant impact on mine closure, reclamation or water quality at Fort Knox to FGMI being authorized to process offsite ore from specific ore bodies. Ore will be trucked to the Fort Knox Mill for processing. The ore will be treated and tailings material deposited within an existing zero discharge facility. No additional disturbance will be necessary on the True North Project site to accommodate a mill and ancillary facilities. No additional disturbance will be required in the surrounding drainages for creation of a dam and tailing storage, thus minimizing the potential adverse impact to surface and groundwater.

2.2.2 Ore Transfer

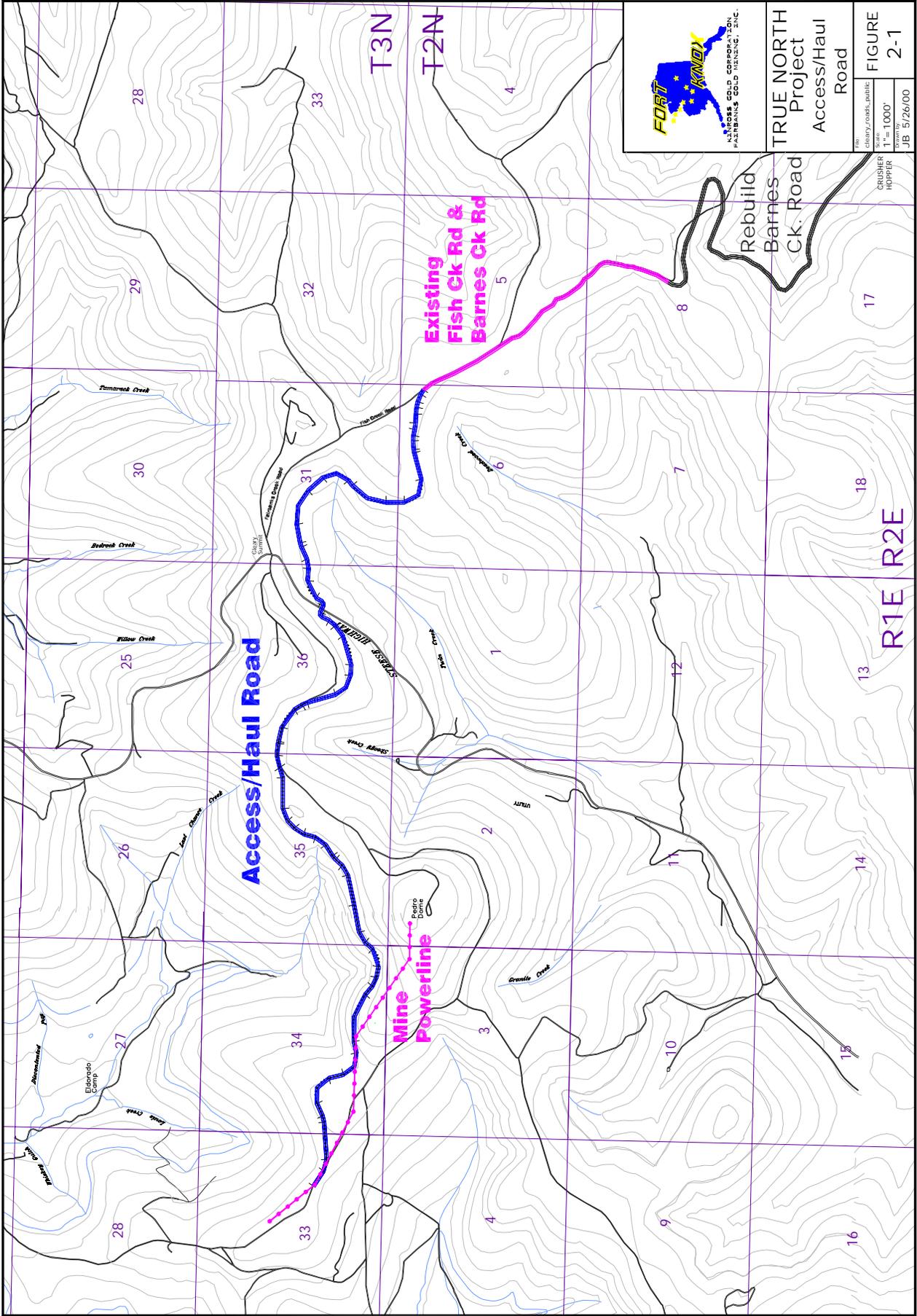
Trucking ore from True North to the Fort Knox mill involves no special equipment or out of the ordinary accommodations.

The use of 60-ton over the Highway Trucks will allow FGMI to achieve the increased payloads from conventional (30-ton) over the highway type trucks to supply the mill with 10,000 tons per day of ore. This allows for minimizing the volume of truck traffic on a daily basis. Because these are conventional type trucks the safety concerns for other road traffic are minimized. The 60-ton trucks are designed and built to minimize impacts due to noise.

2.2.3 Access/Haul Road

The main access/haul road will be constructed from the southeast corner of the True North Millsite Lease boundary along the north side of Pedro Dome (Figure 2-1) At a 6% grade and will use approximately 2,500 feet of the existing Pedro Dome road/True North road. The road then leaves the existing Pedro Dome/True North road on the west side of the ridgeline immediately southwest of the Cleary Summit Subdivision on the Pedro Dome side of the Steese Highway to create a new intersection approximately 2,400-feet southwest of the existing intersection on a straight section of the highway. The new alignment (Driveway Permit issued by Alaska Department of Transportation & Public Facilities) passes under the Steese at a 90-degree angle then contours the hillside to a point from whence it climbs at a four percent grade to the west side of the topographic feature then flat to its intersection with Fish Creek Road. The route crosses under the Steese Highway farther to the west than the existing intersection and circumnavigates a large topographic feature on the east side of the Steese Highway before tying into Fish Creek Road approximately 2,500-feet south of the nearest residence. The State of Alaska Department of Natural Resources

and the Mental Health Trust control the land status. The road location minimizes visual impacts both during the day and at night (lights), lessens the grade down slope of the neighboring residences, and therefore should lessen the noise they would experience due to loaded trucks coming up the grade. It also moves the alignment further down slope of the residences and out around a major topographic feature that will serve to minimize the traffic noise. The True North Transportation Plan addresses operating conditions, safety, signage, snow removal, spill response, road maintenance, lights, noise, and viable alternatives to minimize dust from traffic including; water, chemical treatment (calcium chloride, etc.), chip seal, or asphalt.



TRUE NORTH
Project
Access/Haul
Road

DATE	10/20/00
SCALE	1" = 1000'
DESIGNED BY	CRUISER HOPPER
APPROVED BY	JB 5/26/00

FIGURE
2-1

3.0 TRUE NORTH MINE COMPONENTS

3.1 General

This section describes the components of the True North Project including the open pit mine, development rock dumps, ore stockpile, growth medium stockpile, ore haulage, shop/office, power supply, water supply, and general infrastructure including haul/access, mine, and exploration roads (Figure 3-1 & 3-2).

3.2 Basic Design Information

The basic design parameters for the True North Hindenburg and East Pits are summarized as follows:

MINE LIFE

- Current projection 2.5 to 3 years;

WORK FORCE

- 100 to 110 employees;
- No living accommodations on site;
- No cafeteria;

OPERATING PERIOD

- Pit operations 24 hours per day;
- Mining 365 days per year;

ORE PRODUCTION RATE

- Approximately 3.5 million tons of ore per year at a rate of approximately 10,000 tons of ore per day hauled to the Fort Knox Mill for processing (mining rates vary seasonally);

PIT

	<u>Hindenburg</u>	<u>East Pit</u>
• Pit Ore Tons:	6.8 million	0.4 million
• Pit Waste Tons:	14.0 million	1.5 million
• Pit Dimension (N-S):	2,000-ft	500-ft
• Pit Dimension (E-W):	2,200-ft	1,000-ft
• Crest Elevation:	1,650-ft	1,530-ft
• Bottom Elevation:	1,150-ft	1,200-ft
• Bench Height:	10 to 20-ft	10 to 20-ft
• Pit Slopes:	35° to 50°	30° to 45°
• Mine Haul Road Width:	80-ft	80-ft
• Mine Haul Road Grade:	8%	8%

DEVELOPMENT ROCK

- Approximately 20,000 tons per day;
- Strip ratio 2:1;

ORE STOCKPILE

- Located near the maintenance complex;

GROWTH MEDIUM STOCKPILE

- All material suitable for establishing a viable vegetative cover consistent with the designated post-mining land use;

ORE HAULAGE

- 24 hours per day (weather dependent);
- 365 days per year;
- An average 3.5 million tons per year at a rate of approximately 10,000 tons per day hauled to the Fort Knox Mine site (mining rates vary seasonally);
- Conventional tractor-trailer, 60-tons per load;
- 100 to 170 truck loads to the mill per day;

EQUIPMENT

- Loaders (2) 13-yard;
- Haul trucks (3) 100-ton;
- Ore trucks (9) tractor-trailer;
- Blast hole drill (1) 45,000-lb pull-down class;
- Support equipment: track dozers, a rubber-tired dozer, motor graders, water trucks, a backhoe, small trailer-mounted light plants;

ELECTRICAL REQUIREMENTS

- Grid power right-of-way ADL 416477 (approximately 3-miles) supplied by Golden Valley Electric Association;
- 480-volt, 3-phase power;

WATER SUPPLY

- Water supply well drilled to provide approximately 540 gallons per day (gpd) (Temporary Water Rights LAS 22789)
- Bottled water will be purchased for drinking water;

ACCESS/HAUL AND EXPLORATION ROADS

- 100-foot right-of-way (50-feet either side of centerline) mine access/haul road;
- 80-foot mine haul road;
- 30-foot exploration access road.

3.3 General Site Plan

Figure 3-1 and Figure 3-2 show the general arrangement of the True North Project. The open pit mine is located on the northwestern flank of Pedro Dome. The shop maintenance complex is southeast of the pit along the access/haul road. Administrative functions will be coordinated from the Fort Knox Mine site.

The existing road access to the True North Project is from the Steese Highway to Cleary Summit, then 6.5 miles via the gravel road around the south side of Pedro Dome, the main access/haul road is shown in Figure 2-1.

3.4 Mining

3.4.1 Mining Method and Equipment

Production rates for the conventional open pit mine will average 10,000 tons per day of ore and 20,000 tons per day of development rock. Standard drilling and blasting techniques will be used to break the ore. Ore will be drilled using blast hole drills. Blasting will occur once a day, five days a week. Once blasted, the ore will then be loaded using a 13-cubic yard front-end loader.

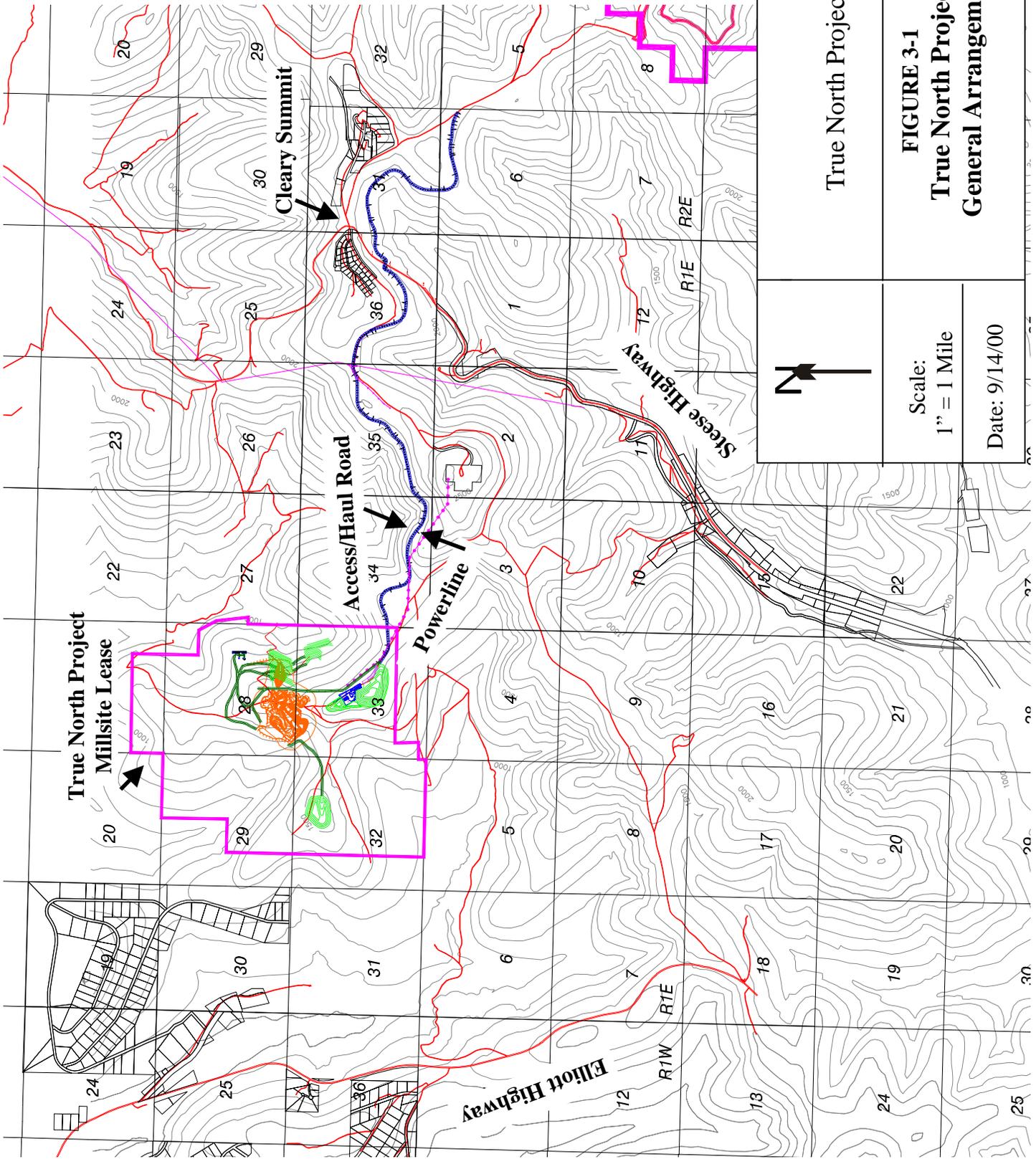
Ore will be transported from the pit by conventional highway tractor trucks pulling 60 - ton trailers with an overall length of approximately 53-feet long. The ore will be transported by a contract trucking company to the Fort Knox Mill for processing. During inclement weather or at other times when it is not possible to truck to Fort Knox, ore will be stockpiled at the True North Project by 100-ton off-road haul trucks.

Auxiliary mine equipment will include an ammonium nitrate and fuel oil (ANFO) truck, track dozers, a rubber-tired dozer, motor graders, lube and service trucks, water trucks, a backhoe, and small trailer-mounted light plants.

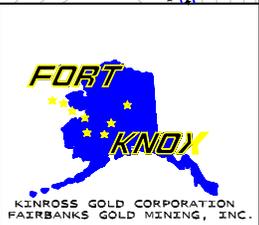
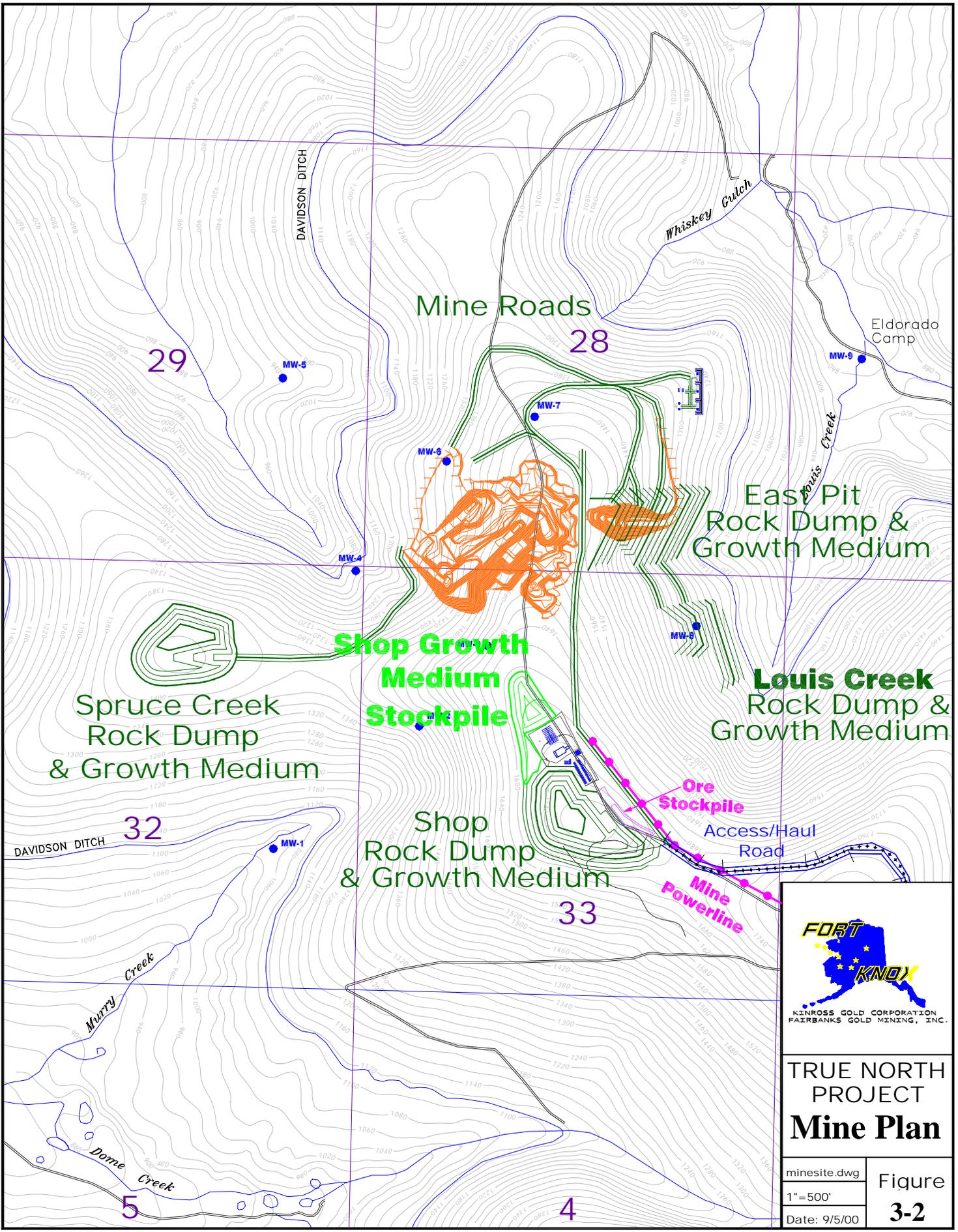
3.4.2 Open Pit, Development Rock Dumps, and Ore Stockpile

Depending on material type, bench heights will vary between 10 and 20-feet, based on production, grade control, and geotechnical considerations. Overall pit wall slopes will vary from 30 to 50 degrees, depending on rock competency (Figure 3-2).

Mine haul roads are generally 80-feet wide with a maximum grade of 8%; this provides safety by giving separation for mine personnel and equipment. The primary exit from the pit is on the north and east rims. The exit point of the pit will vary as mining progresses.



<p style="text-align: center;">True North Project</p>	
<p style="text-align: center;">FIGURE 3-1 True North Project General Arrangement</p>	<p>Scale: 1" = 1 Mile</p> <p>Date: 9/14/00</p>



**TRUE NORTH
 PROJECT
 Mine Plan**

minesite.dwg	Figure 3-2
1"=500'	
Date: 9/5/00	

The ore stockpile will be located near the maintenance complex. Ore will be hauled to this location during inclement weather or when ore transport to Fort Knox is not possible, and stockpiled for reloading into ore haul trucks for transportation to Fort Knox.

To the extent possible, development rock will be used as fill material in construction of project facilities and roads. Unusable or excess rock, for which there is no immediate opportunity for backfill, will be placed in rock dumps for possible use at mine closure to return the site to a safe and stable condition consistent with the Tanana Basin Area Plan (TBAP) (Figure 3-2). The East pit will be completely backfilled. Where mine planning and sequencing allow, portions of the Hindenburg Pit will be backfilled. Mine plans including opportunities for backfilling of the Hindenburg Pit will be discussed during routine inspections.

FGMI anticipates mining two 12-hour shifts per day, seven days a week, 365 days a year, at an average of 30,000 combined tons of ore and development rock per day.

3.4.3 Growth Media Stockpiles for Reclamation

Topsoil and overburden (growth medium) suitable to establish a viable vegetative cover at mine closure will be stockpiled for temporary storage until concurrent reclamation activities begin and/or until final closure.

To the extent practicable topsoil from the surface horizon containing higher concentrations of organic matter will be stockpiled separately from suitable growth medium from deeper soil horizons that contain little or no organic matter.

3.5 Access/Haul and Exploration Roads

Existing road access to the mine is from the Steese Highway to Cleary Summit, then approximately 6.5 miles of gravel road skirting the south side of Pedro Dome. The Steese Highway is a secondary highway that is maintained year-around by the Alaska Department of Transportation and Public Facilities (ADOT&PF). The new access road is described in Section 2.2.3.

Among other safety considerations contained in the True North Transportation Plan, FGMI will install warning lights approximately 800-feet north and south of the Steese Highway intersection.

3.6 Fuel Supply, Storage, and Distribution

Fuel will be delivered to the site via trucks from various Alaska suppliers to a central fuel storage area (Figure 2-3). All fuel vessels will have secondary containment and have leak detection and collection systems. All tanks and dispensing stations will be in containment areas designed to hold at least 110% of the volume of the largest tank. Dispensing lines will have automatic shutoff devices and spill response supplies will be stored and maintained on-site.

Proposed fuel and waste oil storage tank sizes and locations are as follows:

<u>Type</u>	<u>Location</u>	<u>Total Gallons</u>
2-Diesel fuel storage	near shop	20,000
Heating oil storage	near shop	10,000
Unleaded fuel dispensing	near shop	4,000
Diesel fuel dispensing	near shop	4,000
Waste oil storage	near shop	10,000

3.7 Shop Maintenance Complex & Office Buildings

The maintenance complex for the mobile mine fleet will be an 80-foot x 120-foot building (Figure 3-3 & 3-4). The maintenance complex will be used primarily for general preventative maintenance and small repairs. The Fort Knox mobile shop will be used for major over-hauls as needed. Adjoining one end of the maintenance complex will be a 30-foot by 40-foot wash bay. An oil water separator will be installed to collect oily sludge from the wash bay water prior to leach field disposal (Figure 3-3).

Two trailers will serve as office buildings and two trailers will function as lineout facilities for mine crews. The lineout facility will be used as a lunch room/conference room and contain bathroom and shower facilities (Figure 3-3). A fresh water holding tank will be placed adjacent to the lunchroom trailers.

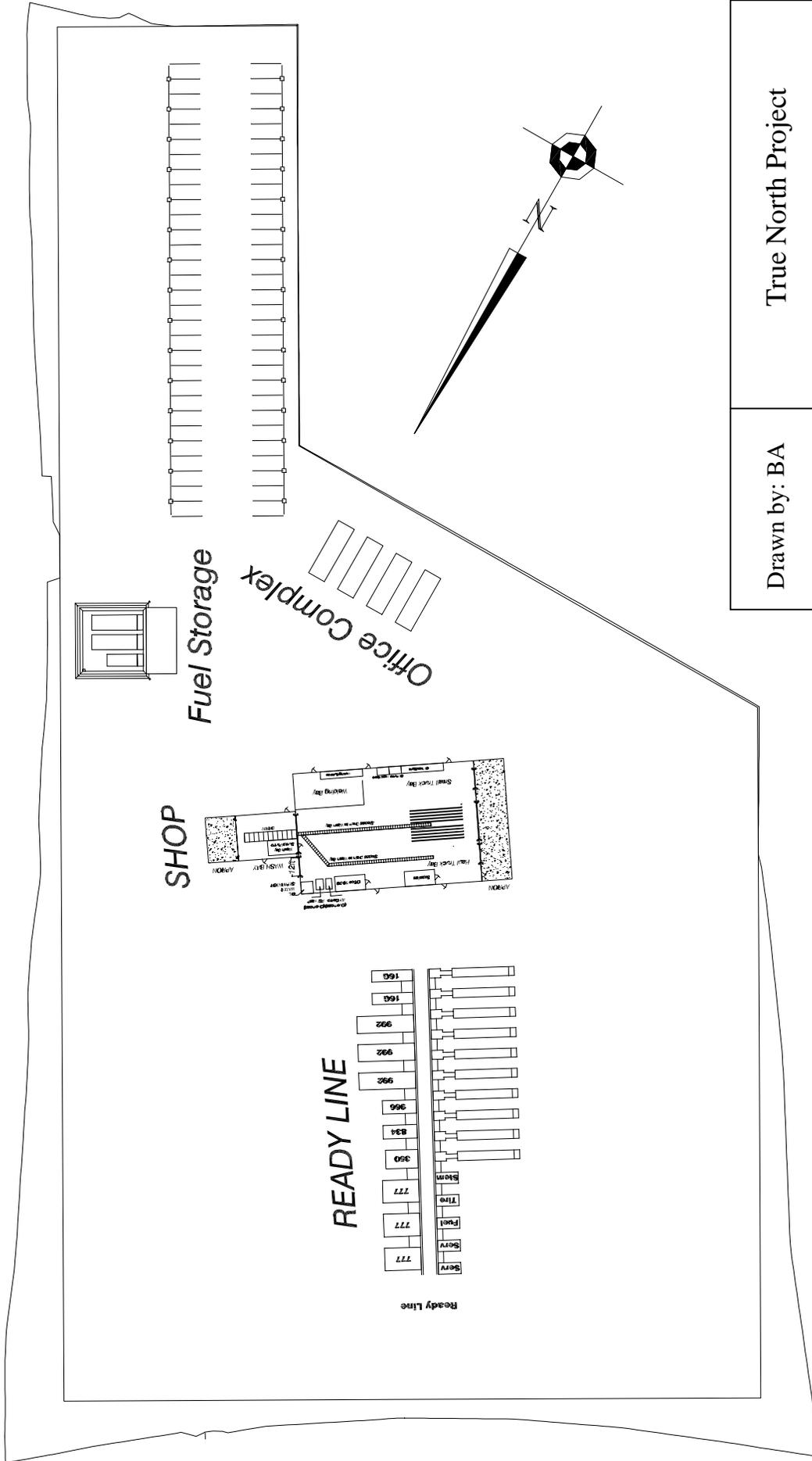
3.8 Refuse

All wooden pallets and cardboard from blasting supplies will be disposed of in the proposed on-site burn pit. Burning will be conducted once a week. A burn permit will be applied for prior to burning from the Alaska Division of Forestry during the months of May through September.

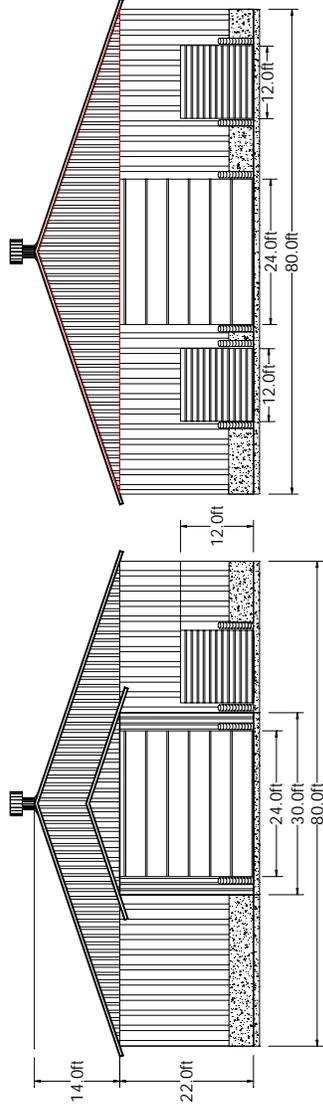
Putrescible waste from sack lunches will be disposed of in dumpsters to prevent attracting wildlife.

All waste material either listed as or meeting the characteristics of hazardous waste will be shipped off-site and disposed of according to applicable state, federal, and local regulations. All used oil filters will be drained, and disposed of either by recycling for scrap metal or by shipping to the Fairbanks North Star Borough (FNSB) solid waste landfill. Waste petroleum oils will be stored on-site for reuse as fuel for space heaters or transported off-site for recycling.

FGMI's waste minimization strategy is to recycle all materials where possible and promote innovative approaches to waste management. Refuse that cannot be recycled will be stored in dumpsters to be disposed of in the FNSB solid waste landfill.

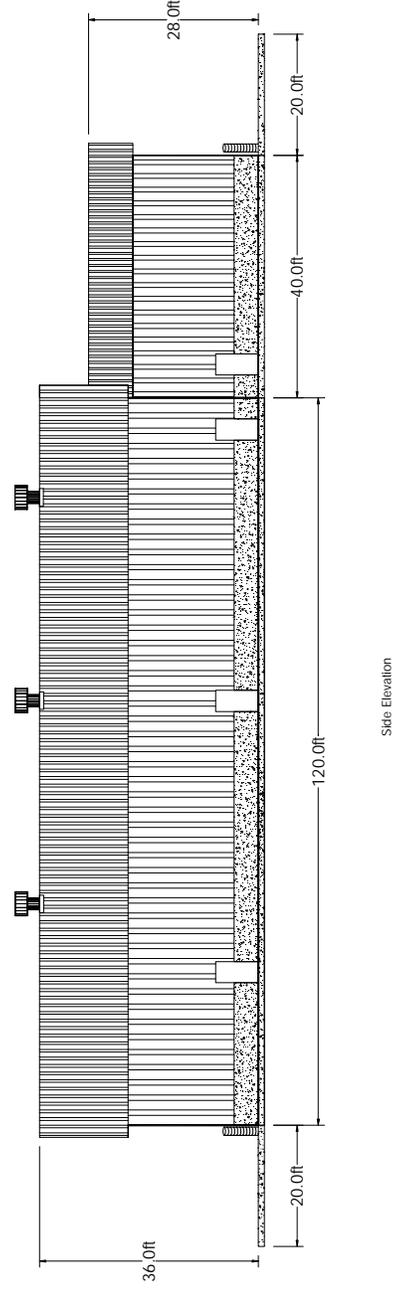


Drawn by: BA	True North Project	
Direction as noted	FIGURE 3-3 True North Project Building Plan	
Date: 9/6/00		



Front Garage Doors Arrangement

Rear Garage Doors Arrangement



Side Elevation



Alaska Gold Corporation
FAIRBANKS GOLD MINING, INC.

TRUE NORTH
PROJECT
Bldg. Plan

Rev: 7/15/07	FIGURE 3-4
Scale: 1"=10'	
Drawn by: B. B. B. B.	

3.9 Domestic Sewage

A septic tank and leach field, as approved by ADEC, will be used for domestic sewage treatment. Effluent will flow into a common leach field (Figure 3-3).

Sludge from the septic tanks will be periodically removed by a commercial pumping service and disposed of in accordance with the Alaska Department of Environmental Conservation (ADEC) approved procedures. Self-contained, vault toilets, regularly serviced by a commercial pumping company, will be used in the open pit and other remote areas of the mine.

3.10 Communication

The primary methods of communication at the True North Project will be on-site telephone systems and radios in motorized mining and hauling equipment (including the ore haul trucks operated by the transportation contractor). The Fort Knox Mine security office will monitor all radio traffic and coordinate responses to accidents/emergency situations, as well as routine warnings for blasting, and hazardous materials transportation, and unsafe road conditions.

3.11 Explosives Storage

All explosives handling and storage will comply with applicable state and federal regulations. All explosives will be stored in appropriate enclosures located off a major haul road near the pit (Figure 3-5 & 3-6).

Caps, detonating cord, primers, and boosters will be stored in locked storage magazines. Bulk ammonium nitrate will be stored in two silos containing a combined total of approximately 100-tons. Blasting agents such as bagged Ammonium Nitrate and fuel oil (ANFO) and water resistant products will be stored in one or more secure trailers constructed for this purpose.

3.12 Fire Control and Suppression

Emergency response personnel will coordinate fire control and suppression. All personnel during their MSHA training will receive instruction in fire and emergency procedures.

In addition to an on-site fire truck, mine heavy equipment will be available for fire control and suppression. Available mine equipment will include a 9,000-gallon water truck with pumps and hoses, tracked dozers, graders, and a loader.

Automatic and/or manually activated fire suppression systems will be installed on all heavy equipment. Handheld extinguishers will be installed in all heavy equipment and small vehicles. Buildings will meet fire suppression codes.



**TRUE NORTH
PROJECT**

Fairbanks Gold Mining, Inc.
(a subsidiary of Kinross Gold Corporation)

**Figure 3-5
Explosive Magazine**



True North Project
Fairbanks Gold Mining, Inc.
(a subsidiary of Kinross Gold Corporation)

Ammonium Nitrate Bin
Figure 3-6

3.13 Project Management System (PMS)

FGMI's PMS for True North will include the following:

- Project Description
- Reclamation Plan
- Transportation Plan
- Storm Water Runoff Pollution Prevention Plan
- Spill Prevention Control and Countermeasure Plan (SPCC)
- Waste Disposal Procedure Pocket Manual
- Monitoring Plan (will include development rock and ore characterization and water quality)

FGMI's PMS incorporates applicable regulatory requirements and authorizations. A yearly field inspection, in August, will be conducted by state agencies to document the status of mine operations, concurrent reclamation, and overall compliance.

An annual agency review will be conducted to determine if both the Project Management Systems of FGMI and the regulatory controls imposed on FGMI provide reasonable assurances that environmental objectives are being met and that the systems and controls are functioning as intended.

A third-party environmental audit will be conducted every third year of operation consistent with the requirements of the True North Millsite Lease ADL #416509.

3.14 Environmental Incident Response

The FGMI Environmental Services Personnel will coordinate control, containment, and cleanup of all on-site hazardous and non-hazardous material spills (petroleum products and process chemicals). For off-site spills on the access/haul road, the responsible trucking company and/or product manufacturer will coordinate the initial response and cleanup per the True North Project Transportation Plan and applicable federal and state regulations.

3.15 Medical Emergency Response

Emergency response personnel will handle medical emergencies. Site personnel will be trained to handle injuries and illness as needed. Trained personnel will, to the best extent possible, be distributed throughout all shifts. Fort Knox personnel will assist True North Project with the Fort Knox Emergency Response Vehicle and personnel, if needed. In addition to on-site personnel and equipment, services of the Steese Volunteer Fire Department and the U.S. Army's Medivac helicopter will be available, if needed. A designated landing zone for emergency helicopter landing will be constructed.

4.0 CLOSURE AND RECLAMATION PLANS

4.1 General

Reclamation is a progressive, long-term process. Planning for reclamation was begun during conceptual design of the mine. Actual reclamation will begin during construction, when topsoil stockpiles and cut and fill slopes are stabilized. Reclamation will occur concurrently with mining and upon cessation of the mining operations. This will include backfilling of the East Pit and portions of the Hindenburg Pit as mining progresses.

The objectives of permanent closure and reclamation will be to stabilize, remove, or mitigate sources having the potential to degrade the lands and waters of the state, and, to leave the land and water in a condition that will allow for the designated post-mining land uses.

4.2 Post-Mining Land Uses

Fairbanks Gold Mining, Inc. with the concurrence of state resource agencies has designate the post-mining land use as wildlife habitat and recreation consistent with the Tanana Valley Basin Management Plan.

4.3 Reclamation Plans

In general, the objectives of reclamation will be:

- 1) Stabilization and protection of surgical soil materials from wind and water erosion;
- 2) Stabilization of steep slopes through contouring and leveling to provide rounded land forms and suitable seedbeds;
- 3) Establishment of long-term, self-sustaining vegetation communities through reseeding and/or promotion of natural invasion and succession. Achieving these objectives will be in the form of success with concurrent reclamation of disturbed areas.
- 4) Return the site to a stable and environmentally sound conditions that meet the designated land use prescribe by the Tanana Basin Area Plan of Wildlife Habitat and Recreation.

For the area and component-specific reclamation plans, which will govern actual reclamation activities, a comprehensive True North Project Reclamation Plan has been developed.

5.0 MAJOR PERMITS AND AUTHORIZATIONS

Presented below is a listing of the major permits and authorizations that FGMI will need to obtain for construction of the True North Mine.

5.1 State of Alaska Permits and Authorizations

5.1.1 Department of Environmental Conservation

- Certificate of Reasonable Assurance for Corps of Engineers 404 Permit
- Plan Review for Public Water Supply System
- SPCC Plan Approval
- Storm Water Discharge Pollution Prevention Plan
- Authorization from ADEC under Solid Waste Disposal Permit 0031-BA008

5.1.2 Department of Labor

- Certificate of Inspection for Fired and Unfired Pressure Vessel
- Employer Identification Number

5.1.3 Department of Natural Resources

- Burning Permits
- Field Archaeology Permit & Final Site Clearance
- Authorization for Geotechnical testing
- Reclamation Plan Approval
- Plan of Operations Approval (consisting of Project Description and Reclamation Plan)
- Permit to Appropriate Water
- Temporary Water Use Permit
- Millsite Lease
- Mental Health Trust Land Unit Approval; Right-of-Way (ROW) and Material Use
- ROW for Access/Haul Road & Road Maintenance Agreement
- Transportation Plan Approval
- Monitoring Plan Approval
- Power Line Right-of-Way ADL 416477 (issued to GVEA)

5.1.4 Department of Transportation & Public Facilities

- Driveway Permit

5.1.5 Department of Public Safety

- Approval to Transport Hazardous Materials
- Life and Fire Safety Plan Check
- Plan Review Certificate of Approval for each Building

5.2 Federal Permits and Authorizations

5.2.1 Bureau of Alcohol, Tobacco, and Firearms

- Permit and License for Use of Explosives

5.2.2 Corps of Engineers

- 404 Wetlands Permit

5.2.3 Environmental Protection Agency

- SPCC Plan
- Storm Water Discharge Multi-Sector General Permit for Industrial Activities
- Storm Water Pollution Prevention Plan

5.2.4 Mine Safety and Health Administration

- Notification of Legal Identity
- Training and Retraining of Miners Plan

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KINROSS GOLD CORPORATION

ENVIRONMENTAL POLICY

OBJECTIVE

Kinross Gold Corporation recognizes that maintenance of environmental quality is vital to the Company's existence, progress, and continued development. The Company will maintain high environmental standards limited only by technical and economic feasibility. The Company will take positive action to protect the safety of its workers, conserve natural resources, and minimize the impact of its activities on the environment through diligent application of appropriate technology and responsible conduct at all stages of exploration, mine development, mining, mineral processing, decommissioning, and reclamation.

The purpose of Kinross Gold Corporation's Environmental Policy is to provide a measurable framework for the performance of the Company's activities in an environmentally responsible manner, ensuring compliance by the Company and its employees with all applicable environmental regulations and commitments.

IMPLEMENTATION

Kinross Gold Corporation will:

Evaluate, plan, construct, and operate all projects and facilities to reduce adverse environmental impacts and to meet or exceed applicable environmental laws, regulations, and standards. In the absence of applicable regulations, the Company will apply cost effective best management practices to protect the environment.

Require managers of all projects and operations to adhere to the Company Environmental Policy and to identify, evaluate, and minimize risks to the environment.

Continuously review environmental achievements and technology to seek and implement methods for further improvement.

Require all operations to have site-specific emergency response plans, which meet or exceed all applicable regulations.

Conduct regular audits of environmental performance and emergency response plans to verify compliance with the Company's policy and applicable regulations. Identify revisions or improvements to current practices in order to minimize environmental impacts. Report findings quarterly to the Board of Directors.

Educate employees in environmental matters and responsibilities relating to performance of their assigned tasks. Entrust all employees to maintain necessary environmental performance for their activities.

Foster communication with shareholders, the public, employees, and government to enhance understanding of environmental issues affecting the Company's activities.

Work pro-actively with government and the public to define environmental priorities. Participate in the development of responsible laws for the protection of the environment.

Allocate sufficient resources to meet the Company's environmental goals. Annually assess the projected costs of decommissioning and reclamation while funding "off balance sheet" an appropriate amount to ensure that there are sufficient cash reserves to pay for these costs upon closure.

Robert M. Buchan
Chairman and CEO

Ned Goodman
Chairman, Environmental Committee
Kinross Board of Directors