

KINROSS GOLD CORP
Form F-8
March 19, 2010

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As filed with the Securities and Exchange Commission on March 19, 2010

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM F-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

KINROSS GOLD CORPORATION

(Exact name of Registrant as specified in its charter)

Province of Ontario, Canada

(Province or Other Jurisdiction
of Incorporation or Organization)

1041

(Primary Standard Industrial Classification
Code Number (if applicable))

25 York Street, 17th Floor
Toronto, Ontario M5J 2V5
(416) 365-5123

(Address and telephone number of Registrant's principal executive offices)

650430083

(I.R.S. Employer Identification Number
(if applicable))

Scott W. Loveless, Parr Brown Gee & Loveless
185 South State Street, Suite 800, Salt Lake City, Utah 84111-1537
(801) 532-7840

(Name, address, (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

Jason J. Comerford, Esq.
Osler, Hoskin & Harcourt LLP
620 8th Avenue 36th Floor
New York, New York 10018

Geoffrey P. Gold, Esq.
Executive Vice President and Chief Legal Officer
Kinross Gold Corporation
25 York Street, 17th Floor
Toronto, Ontario M5J 2V5

Approximate date of commencement of proposed sale of the securities to the public:
As soon as practicable after this Registration Statement is declared effective.

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This registration statement and any amendment thereto shall become effective upon filing with the Commission in accordance with Rule 467(a).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered ⁽²⁾	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Shares ⁽¹⁾	6,841,945	US\$1.62 ⁽³⁾	US\$78,609,586.32 ⁽³⁾	US\$5,604.86 ⁽³⁾

(1) Rights are attached to, and trade with, the Registrant's common shares and are issued for no additional consideration. The value attributable to Rights, if any, is reflected in the market price of the common shares. No additional registration fee is required.

(2) Represents the maximum number of common shares of the Registrant estimated to be issuable upon consummation of the offer to purchase all of the issued and outstanding common shares of Underworld Resources Inc. ("Underworld"), calculated as the product of (a) 48,524,436, which is the number of outstanding common shares of Underworld, other than shares beneficially owned by the Registrant, as of March 15, 2010 (assuming the exercise of all outstanding options and conversion of all outstanding warrants for common shares of Underworld), as provided by Underworld to the Registrant, and (b) the exchange ratio of 0.141 of a common share of the Registrant for each common share of Underworld.

(3) Calculated pursuant to General Instruction IV.G(4), solely for purposes of calculating the registration fee. The average of the high and low trading price of the Underworld common shares, which are the securities to be received by the Registrant, as reported on the TSX Venture Exchange on February 26, 2010, was Cdn\$1.70 per common share, which, when converted into U.S. dollars based on the exchange rate of US\$1.00 to Cdn\$1.0526, the noon spot rate as reported by the Bank of Canada on February 26, 2010, equals US\$1.62 per common share. The total value of the securities to be received from holders is therefore US\$78,609,586.32, and the registration fee is US\$5,604.86.

If, as a result of stock splits, stock dividends or similar transactions, the number of securities purported to be registered on this registration statement changes, the provisions of Rule 416 shall apply to this registration statement.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

Item 1. Home Jurisdiction Document

Offer to Purchase and Circular dated as of March 19, 2010, including the Letter of Transmittal and Notice of Guaranteed Delivery.

Item 2. Informational Legends

See page (iii) of the Offer to Purchase and Circular dated as of March 19, 2010.

Item 3. Incorporation of Certain Information by Reference

See "Kinross Documents Incorporated by Reference and Further Information" in the Offer to Purchase and Circular dated as of March 19, 2010.

Item 4. List of Documents Filed with the Commission

See "Documents Filed as Part of the Registration Statement" in the Offer to Purchase and Circular dated as of March 19, 2010.

The information in this Offer and Circular may change. We may not complete the Offer and issue the securities issuable hereunder until the registration statement filed with the United States Securities and Exchange Commission is effective. This Offer and Circular is not an offer to sell the securities issuable hereunder and we are not soliciting an offer to buy these securities in any jurisdiction where the Offer is not permitted.

This document is important and requires your immediate attention. If you have any questions as to how to deal with it, you should consult your investment dealer, stockbroker, trust company, manager, bank manager, lawyer or other professional advisor. No securities regulatory authority has expressed an opinion about the securities issuable pursuant to this Offer and it is an offence to claim otherwise. This Offer and the securities issuable pursuant to it have not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer, the adequacy of the information contained in this document or the merits of the securities issuable pursuant to the Offer. Any representation to the contrary is an offence.

March 19, 2010

KINROSS GOLD CORPORATION

OFFER TO PURCHASE

all of the outstanding common shares of

UNDERWORLD RESOURCES INC.

**on the basis of 0.141 of a Kinross common share plus Cdn.\$0.01
for each common share of Underworld**

Kinross Gold Corporation ("**Kinross**" or the "**Offeror**") hereby offers (the "**Offer**") to purchase, upon the terms and subject to the conditions described herein, all of the issued and outstanding common shares (the "**Underworld Shares**") of Underworld Resources Inc. ("**Underworld**" or the "**Company**"), other than any Underworld Shares owned directly or indirectly by the Offeror and including any Underworld Shares that may become issued and outstanding after the date of this Offer but prior to the Expiry Time (as defined below) upon the conversion, exchange or exercise of any securities of Underworld that are convertible into or exchangeable or exercisable for Underworld Shares.

The board of directors of Underworld, upon consultation with its financial and legal advisors and on receipt of a recommendation of a special committee of Underworld directors, has unanimously determined that the Offer is fair from a financial point of view to holders of Underworld Shares (the "Shareholders") (other than Kinross) and is in the best interests of Underworld and the Shareholders (other than Kinross) and, accordingly, has UNANIMOUSLY RECOMMENDED that Shareholders (other than Kinross) ACCEPT the Offer and DEPOSIT their Underworld Shares under the Offer. See Section 3 of the Circular, "Recommendation of the Board of Directors of Underworld".

Kinross and Underworld have entered into a support agreement dated March 15, 2010 pursuant to which Kinross has agreed to make the Offer and Underworld has agreed to support the Offer and not to solicit any competing acquisition proposals. See Section 4 of the Circular, "Background to the Offer - Support Agreement". Pursuant to lock-up agreements entered into with Kinross, all of the directors and senior officers of Underworld have agreed to deposit under the Offer and not withdraw, subject to certain exceptions, all of the Underworld Shares collectively owned by them, including any Underworld Shares issued on exercise of Underworld Options prior to the Expiry Time.

THE OFFER WILL BE OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (VANCOUVER TIME) ON APRIL 26, 2010, UNLESS THE OFFER IS EXTENDED OR WITHDRAWN BY KINROSS (the "Expiry Time").

The Dealer Managers for the Offer are:

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In Canada

In the United States

RBC Dominion Securities Inc.

RBC Capital Markets Corporation

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The Offer is conditional upon, among other things, at the Expiry Time there being validly deposited under the Offer and not withdrawn, such number of Underworld Shares which, together with the Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least $66\frac{2}{3}\%$ of the outstanding Underworld Shares (calculated on a fully-diluted basis). Each of the conditions of the Offer is set forth in Section 2 of the Offer to Purchase, "Conditions of the Offer".

The common shares in the capital of Kinross (the "**Kinross Shares**") are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "K" and on the New York Stock Exchange ("**NYSE**") under the symbol "KGC". The Underworld Shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "UW". On March 10, 2010, the last trading day prior to the Offeror's announcement of its intention to make the Offer, the closing price on the TSX of the Kinross Shares was Cdn.\$18.54 and the closing price on the TSX-V of the Underworld Shares was Cdn.\$1.93. The Offer represented a premium of approximately 50.2% based on the volume-weighted average prices of the Underworld Shares and the Kinross Shares on the TSX-V and the TSX, respectively, for the 20 trading days ended March 10, 2010.

As of March 18, 2010, Kinross owns and controls an aggregate of 3,918,181 Underworld Shares representing approximately 9.29% of the issued and outstanding Underworld Shares together with 600,000 Underworld Warrants. Assuming full exercise of all of the Underworld Options and Underworld Warrants (including those held by it), Kinross would hold approximately 8.52% of the Underworld Shares.

For a discussion of risks and uncertainties you should consider in evaluating the Offer and ownership of Kinross Shares, see Section 7 of the Circular, "Risk Factors Related to the Offer", as well as the section entitled "Risk Factors" on pages 57 through 71 of Kinross' annual information form for the year ended December 31, 2008, dated March 31, 2009, incorporated by reference into the Offer and Circular. Kinross has applied to the TSX and the NYSE to list the Kinross Shares to be issued to Shareholders in connection with the Offer.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, Kinross may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

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Shareholders who wish to accept the Offer and deposit their Underworld Shares must properly complete and execute the accompanying Letter of Transmittal (printed on yellow paper) or a manually signed facsimile thereof and deposit it, together with the certificates representing their Underworld Shares and all other required documents, at the offices of the Depositary in accordance with the instructions in the Letter of Transmittal or request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction on their behalf. Alternatively, Shareholders may: (1) accept the Offer by following the procedures for book-entry transfer of Underworld Shares described in Section 5 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer"; or (2) accept the Offer where the certificates representing the Underworld Shares are not immediately available, or if the certificates and all of the required documents cannot be provided to the Depositary before the Expiry Time, by following the procedures for guaranteed delivery described in Section 5 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on green paper) or a manually signed facsimile thereof. Shareholders whose Underworld Shares are registered in the name of a nominee should consult their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Underworld Shares. Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Underworld Shares directly with the Depositary or if they make use of the services of the Dealer Managers or a member of the Soliciting Dealer Group to accept the Offer.

Questions and requests for assistance may be directed to the Dealer Managers, the Depositary or the Information Agent for the Offer. Contact details for such persons may be found on the back page of this document. Additional copies of this document and related materials may be obtained without charge on request from the Dealer Managers, the Depositary or the Information Agent at their respective offices specified on the back page of this document. Copies of this document and related materials may also be found at www.sedar.com and www.sec.gov.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

Kinross has filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form F-8, and expects to mail this Offer and Circular to Shareholders. **KINROSS URGES SHAREHOLDERS TO READ THE REGISTRATION STATEMENT AND OFFER AND CIRCULAR AND ANY OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.**

Shareholders will be able to obtain the documents free of charge at the SEC's website, www.sec.gov. In addition, documents filed with the SEC by Kinross will be available free of charge from Kinross. You should direct requests for documents to Corporate Secretary, Kinross Gold Corporation, 25 York Street, 17th Floor, Toronto, Ontario, M5J 2V5 or by telephone at (416) 365-5123 or (866) 561-3636. To obtain timely delivery, such documents should be requested not later than April 19, 2010, five business days before the Expiry Date.

This Offer is made by a Canadian corporation that is permitted, under a multijurisdictional disclosure system adopted by the securities regulatory authorities in Canada and the United States, to prepare this Offer and Circular in accordance with the disclosure requirements of Canadian securities laws. Shareholders in the United States should be aware that such requirements are different from those of the United States. The financial statements included or incorporated by reference herein have been prepared in accordance with Canadian generally accepted accounting principles and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Shareholders should be aware that the disposition of their Underworld Shares and their acquisition of Kinross Shares in the Offer may have tax consequences both in the United States and in Canada. Such consequences for Shareholders who are resident in, or citizens of, the United States may not be described fully herein, and such holders are urged to consult their own tax advisors.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that each of Kinross and Underworld are incorporated or organized under the laws of the Provinces of Ontario and British Columbia, respectively, that some or all of their respective officers and directors may reside outside the United States, that the Canadian Dealer Managers and some or all of the experts named herein may reside outside the United States, and that all or a substantial portion of the assets of Kinross and Underworld and such above-mentioned persons may be located outside the United States.

THE SECURITIES OFFERED PURSUANT TO THIS OFFER AND CIRCULAR HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY UNITED STATES STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER AND CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Shareholders should be aware that, during the period of the Offer, Kinross or its affiliates, directly or indirectly, may bid for or make purchases of Underworld Shares, or certain related securities, as permitted by applicable laws or regulations of Canada or its provinces or territories.

Cautionary Note Regarding Reserve and Resource Disclosure

Information in this Offer and Circular, including the documents incorporated by reference herein, has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. Without limiting the foregoing, this Offer and Circular, including the documents incorporated by reference herein, use the terms "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". United States investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into reserves. Further, inferred mineral resources have a great amount of uncertainty to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of inferred mineral resources will ever be upgraded to a higher category. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations, however, the SEC normally only permits issuers to report "resources" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this Offer and Circular or in the documents incorporated by reference, may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in or incorporated by reference in this Offer and Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained herein and incorporated by reference herein may not be comparable to similar information disclosed by United States companies.

NOTICE TO HOLDERS OF UNDERWORLD OPTIONS AND UNDERWORLD WARRANTS

The Offer is made only for Underworld Shares and is not made for any Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares. Any holder of Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares who wishes to accept the Offer should, to the extent permitted by their terms and applicable law, fully exercise such Underworld Options, Underworld Warrants or other rights in order to obtain certificates representing Underworld Shares that may be deposited in accordance with the terms of the Offer. Any such exercise or exchange must be completed sufficiently in advance of the Expiry Time to assure the holder of such Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares that the holder will have certificates representing the Underworld Shares received on such exercise or exchange available for deposit before the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 5 of the Offer to Purchase, "Manner of Acceptance Procedure for Guaranteed Delivery".

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Following the Effective Date, provided that Kinross has taken-up and paid such number of Underworld Shares which, together with the Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 66²/₃% of the outstanding Underworld Shares (calculated on a fully-diluted basis) and received all Appropriate Regulatory Approvals, if any holder of Underworld Options does not exercise such options and deposit the resulting Underworld Shares under the Offer prior to the Expiry Time, such Underworld Options shall be exchanged for Replacement Options. See Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld Treatment of Underworld Options and Underworld Warrants".

The tax consequences to holders of Underworld Options or Underworld Warrants of exercising or not exercising their Underworld Options or Underworld Warrants are not described in the Circular. Holders of Underworld Options or Underworld Warrants should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise or not exercise their Underworld Options or Underworld Warrants.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

The Offer and Circular and some of the material incorporated by reference into the Offer and Circular, contain certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "**forward-looking statements**"). Forward-looking statements include possible events, statements with respect to possible events, the future price of gold and silver, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, the timing and amount of estimated future production, costs of production, expected capital expenditures, costs and timing of the development of new deposits, success of exploration, development and mining activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, and limitations on insurance coverage. The words "plans," "expects," "is expected," "scheduled," "estimates," "forecasts," "targets," "intends," "anticipates," or "believes," or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur" and similar expressions identify forward-looking statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as at the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Kinross contained or incorporated by reference in the Offer and Circular which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and incorporated by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (2) permitting, development, operations, expansion and construction at Paracatu (including, but not limited to, land acquisitions for and permitting and construction of the new tailings facility), consistent with Kinross' current expectations; (3) the viability, permitting and development of the Fruta Del Norte deposit being consistent with Kinross' current expectations; (4) political developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the implementation of Ecuador's new mining law and related regulations and policies being consistent with Kinross' current expectations; (5) the new feasibility study to be prepared by the joint venture for Cerro Casale, incorporating updated geological, mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors, and permitting, being consistent with Kinross' current expectations; (6) the viability, permitting and development of the Lobo-Marte project, including, without limitation, the metallurgy and processing of its ore, being consistent with Kinross' current expectations; (7) the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian ruble and the U.S. dollar being approximately consistent with current levels; (8) certain price assumptions for gold and silver; (9) prices for and availability of natural gas, fuel oil, electricity and other key supplies remaining consistent with current levels; (10) production and cost of sales forecasts meeting expectations; (11) labour and materials costs increasing on a basis consistent with Kinross' current expectations; (12) that Kinross will complete the acquisition of Underworld in accordance with the terms and conditions of the Offer; (13) the accuracy of management's assessment of the effects of the successful completion of the Offer; (14) the accuracy of Kinross and Underworld's mineral reserve and mineral resource estimates; (15) the viability of the White Gold project area

and permitting the development and expansion of White Gold on a basis consistent with Kinross and Underworld's current expectations; and (16) the trading price of the Kinross Shares and the Underworld Shares.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets; fluctuations in the spot and forward price of gold or certain other commodities (such as diesel fuel and electricity); changes in interest rates or gold or silver lease rates that could impact the mark-to-market value of outstanding derivative instruments and ongoing payments/receipts under any interest rate swaps and variable rate debt obligations; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, Chile, Brazil, Russia, Ecuador or other countries in which Kinross does or may carry on business in the future; business opportunities that may be presented to, or pursued by, Kinross; Kinross' ability to successfully integrate acquisitions; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of gold exploration and development, including, but not limited to, the risks of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including, but not limited to, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect Kinross' actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Kinross. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in the Offer and Circular are qualified by these cautionary statements, those made in Kinross's filings with Canadian and U.S. securities regulatory authorities expressly incorporated by reference into the Circular, and those made in Section 7 of the Circular, "Risk Factors Related to the Offer". These factors are not intended to represent a complete list of the factors that could affect Kinross. Accordingly, undue reliance should not be placed on forward-looking statements. Kinross undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information or future events or otherwise, except as may be required in connection with a material change in the information disclosed in this Offer and Circular or as otherwise required by law.

INFORMATION CONCERNING UNDERWORLD

Except as otherwise indicated, the information concerning Underworld contained in the Offer and Circular has been taken from or is based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. Although Kinross has no knowledge that would indicate that any statements contained herein concerning Underworld taken from or based upon such documents and records are untrue or incomplete, neither Kinross nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, including any of Underworld's financial statements or Underworld's mineral resource estimates, or for any failure by Underworld to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to Kinross. Kinross has limited means of verifying the accuracy or completeness of any of the information contained herein that is derived from Underworld's publicly available documents or records or whether there has been any failure by Underworld to disclose events that may have occurred or may affect the significance or accuracy of any information.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to "\$" or "dollars" in the Offer and Circular refer to United States dollars and all references to "Cdn.\$" in this Offer and Circular refer to Canadian dollars. Kinross' financial statements included herein and incorporated by reference are reported in United States dollars and are prepared in accordance with Canadian GAAP.

CURRENCY EXCHANGE RATE INFORMATION

The following table sets forth the high and low exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the noon buying rates provided by the Bank of Canada:

	Year End December 31		
	2009	2008	2007
High	1.3000	1.2969	1.1853
Low	1.0292	0.9719	0.9170
Rate at end of period	1.0466	1.2246	0.9881
Average rate for period	1.1420	1.0660	1.0748

On March 18, 2010, the exchange rate for one U.S. dollar expressed in Canadian dollars based upon the noon buying rates provided by the Bank of Canada was Cdn.\$1.0139.

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QUESTIONS AND ANSWERS ABOUT THE OFFER

The following are some of the questions with respect to the Offer that you, as a shareholder of Underworld, may have and the answers to those questions. These questions and answers are not meant to be a substitute for the more detailed description and information contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. The information contained in these questions and answers are qualified in their entirety by the more detailed descriptions and information contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Therefore, we urge you to read the entire Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery carefully prior to making any decision regarding whether or not to tender your Underworld Shares. We have included cross-references in this question and answer section to other sections of the Offer and Circular where you will find more complete descriptions of the topics mentioned below. Unless otherwise defined herein, capitalized terms have the meanings given to them in the Glossary below.

Who is offering to buy my Underworld Shares?

We, Kinross, are a company principally engaged in the mining and processing of gold and, as a by-product, silver ore and the exploration for, and the acquisition of, gold bearing properties in North and South America and the Russian Federation. The principal products of Kinross are gold and silver produced in the form of doré that is shipped to refineries for final processing. Our Kinross Shares are listed on the TSX under the symbol "K" and on the NYSE under the symbol "KGC". See Section 1 of the Circular, "Kinross".

What is Kinross proposing?

We are offering to purchase all of the issued and outstanding Underworld Shares that we do not own, subject to the terms and conditions set forth in the following Offer and Circular. See Section 1 of the Offer to Purchase, "The Offer".

What would I receive in exchange for each of my Underworld Shares?

For each Underworld Share held by you, we are offering 0.141 of a Kinross Share plus Cdn.\$0.01. See Section 1 of the Offer to Purchase, "The Offer".

What are some of the significant conditions of the Offer?

The Offer is subject to several conditions, including at the Expiry Time, there being validly deposited under the Offer and not withdrawn, such number of Underworld Shares which, together with Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 66²/₃% of the outstanding Underworld Shares (calculated on a fully-diluted basis), and the Support Agreement shall not have been terminated by us or Underworld in accordance with its terms. See Section 2 of the Offer to Purchase, "Conditions of the Offer", for additional conditions of the Offer.

Why is Kinross buying Underworld?

We are making the Offer because we want to acquire control of, and ultimately the entire equity interest in, Underworld. If we complete the Offer but do not then own 100% of the Underworld Shares, we currently intend to acquire any Underworld Shares not deposited under the Offer in a second-step transaction. This transaction would likely take the form of a Compulsory Acquisition or a Subsequent Acquisition Transaction. See Section 4 of the Circular, "Background to the Offer", and Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited".

What securities are being sought in the Offer?

We are offering to purchase all of the issued and outstanding Underworld Shares. This includes Underworld Shares that may become issued and outstanding after the date of this Offer, but prior to the Expiry Time, upon the conversion, exercise or exchange of any securities of Underworld that are convertible into or exchangeable or exercisable for Underworld Shares. See Section 1 of the Offer to Purchase, "The Offer".

How many Kinross Shares could be issued pursuant to the Offer?

We expect to issue approximately 6.3 million Kinross Shares, based on the number of Underworld Shares outstanding as at March 15, 2010 (as represented to Kinross by Underworld in the Support Agreement) and assuming that: (i) all of the Underworld Shares outstanding as at March 15, 2010 are acquired upon completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, (ii) all of the holders of Underworld Warrants exercise their Underworld Warrants for Underworld Shares, and (iii) all holders of Underworld Options elect to receive Replacement Options based on the Option Exchange Ratio rather than exercise their Underworld Options in advance of the successful completion of the Offer. See Section 1 of the Offer to Purchase, "The Offer", and Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld Treatment of Underworld Options and Underworld Warrants".

Will my ownership and voting rights as a shareholder of the combined company be the same as my ownership and voting rights as a shareholder of Underworld?

No. As noted above, Kinross expects to issue approximately 6.3 million Kinross Shares in connection with the Offer, which would result in there being a total of approximately 703.0 million Kinross Shares outstanding (based on the number of Kinross Shares outstanding as at March 17, 2010), with Shareholders holding in the aggregate approximately 0.9% of the Kinross Shares (assuming all of the issued and outstanding Underworld Shares are acquired by Kinross under the Offer, including Underworld Shares issuable on exercise of Underworld Warrants). As a result of this issuance, the Shareholders' ownership and voting interests in the combined company will be diluted, relative to their current proportional ownership and voting interest in Underworld. See Section 1 of the Circular, "Kinross Authorized and Outstanding Share Capital" and Section 7 of the Circular, "Risk Factors Related to the Offer".

How long do I have to decide whether to tender to the Offer?

The Offer is open for acceptance until 5:00 p.m. (Vancouver time) on April 26, 2010, or until such other time and date as set out in a notice of variation of the Offer as we determine, issued at any time and from time to time at our discretion. See Section 4 of the Offer to Purchase, "Time for Acceptance".

Can the Expiry Time for the Offer be extended?

Yes. We may, in our sole discretion, elect to extend the Expiry Time for the Offer from the time referenced in the answer to the previous question. Under certain circumstances, we may be required to extend the Expiry Time for the Offer under Canadian securities laws. If we elect to extend, or are required to extend, the Expiry Time for the Offer, we will publicly announce the variation and, if required by applicable law, we will mail you a copy of the notice of variation. See Section 6 of the Offer to Purchase, "Extensions, Variations and Changes to the Offer".

What does the board of directors of Underworld think of the Offer?

The board of directors of Underworld, upon consultation with its financial and legal advisors and on receipt of a recommendation of a special committee of Underworld directors, has unanimously determined that the Offer is fair from a financial point of view to the Shareholders (other than Kinross) and is in the best interests of Underworld and the Shareholders (other than Kinross) and, accordingly, has unanimously recommended that Shareholders (other than Kinross) accept the Offer and deposit their Underworld Shares under the Offer. See Section 3 of the Circular, "Recommendation of the Board of Directors of Underworld".

How do I tender my Underworld Shares?

If you hold Underworld Shares in your own name, you may accept the Offer by depositing a completed and executed Letter of Transmittal or a manually signed facsimile thereof, together with the certificates representing your Underworld Shares and all other required documents, at the offices of the Depository specified in the Letter of Transmittal at or before the Expiry Time. Shareholders whose certificates for Underworld Shares are not immediately available may use the procedures for guaranteed delivery set forth in the Notice of Guaranteed Delivery. Alternatively, you may: (i) accept the Offer by following the procedures for book-entry transfer of

Underworld Shares described in Section 5 of the Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer"; or (ii) accept the Offer where your certificates representing the Underworld Shares are not immediately available, or if the certificates and all of the required documents cannot be provided to the Depository before the Expiry Time, by following the procedures for guaranteed delivery described in Section 5 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery or a manually signed facsimile thereof.

If your Underworld Shares are held through an intermediary or other nominee, such as a broker, investment dealer, bank, trust company or other nominee, you should consult such party for assistance in depositing your Underworld Shares. You will not be required to pay any fee or commission if you accept the Offer by depositing your Underworld Shares directly with the Depository or if you make use of the services of the Dealer Managers or a member of the Soliciting Dealer Group to accept the Offer. Shareholders are invited to contact the Information Agent for further information regarding how to accept the Offer.

What if I have lost the certificate(s) for my Underworld Shares but want to tender them to the Offer?

You should complete your Letter of Transmittal as fully as possible and state in writing the circumstances surrounding the loss and forward the documents to the Depository. The Depository will advise you of replacement requirements which must be completed and returned before the Expiry Time. See Section 5 of the Offer to Purchase, "Manner of Acceptance – Procedure for Guaranteed Delivery".

Who is the Depository under the Offer?

Kingsdale Shareholder Services Inc. is acting as Depository under the Offer. The Depository will be responsible for receiving certificates representing Deposited Shares and accompanying Letters of Transmittal and other documents. The Depository is also responsible for receiving Notices of Guaranteed Delivery, giving notices, if required, and making payment for all Underworld Shares purchased by us under the terms of the Offer. The Depository will also facilitate book-entry transfers of Underworld Shares. See Section 18 of the Circular, "Depository and Information Agent".

Will I be able to withdraw previously tendered Underworld Shares?

Yes. You may withdraw Underworld Shares previously tendered by you at any time (i) before Underworld Shares deposited under the Offer are taken up by us under the Offer, (ii) if your Underworld Shares have not been paid for by us within three business days after having been taken up, and (iii) in certain other circumstances. See Section 8 of the Offer to Purchase, "Right to Withdraw Deposited Shares".

How do I withdraw previously tendered Underworld Shares?

You must send a notice of withdrawal to the Depository prior to the occurrence of certain events and within the time periods set forth in Section 8 of the Offer to Purchase, "Right to Withdraw Deposited Shares", and the notice must contain specific information outlined therein.

Will I have to pay any fees or commissions?

If you are the registered owner of your Underworld Shares and you tender your Underworld Shares directly to the Depository, or if you use the services of a Dealer Manager or a member of the Soliciting Dealer Group, you will not have to pay brokerage fees or incur similar expenses. If you own your Underworld Shares through a broker or other nominee who is not a member of the Soliciting Dealer Group, and your broker tenders the Underworld Shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. See Section 19 of the Circular, "Dealer Managers and Soliciting Dealer Group".

What will happen if the Offer lapses or is withdrawn?

If the Offer lapses or we withdraw the Offer prior to the satisfaction or waiver of all of the conditions of the Offer, all of your Underworld Shares that were deposited and not withdrawn will be returned to you with no payment.

How will Canadian residents and non-residents of Canada be taxed for Canadian income tax purposes?

A beneficial holder of Underworld Shares who is resident in Canada, who holds Underworld Shares as capital property and who disposes of such shares to Kinross under the Offer (subject to entering into a joint Tax Election with Kinross to obtain a full or partial tax deferral when available as described in Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations") will generally realize a capital gain (or capital loss) equal to the amount by which the sum of the fair market value, on the date of disposition, of the Kinross Shares and the Canadian currency received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the holder of such Underworld Shares.

An Eligible Holder who disposes of Underworld Shares may, depending upon the circumstances, obtain a full or partial tax deferral in respect of a disposition of Underworld Shares by entering into a joint Tax Election with Kinross under Section 85 of the Tax Act (and the corresponding provisions of any applicable provincial tax legislation) specifying therein an elected amount in accordance with certain limitations provided for in the Tax Act (and in any applicable provincial tax legislation). The Letter of Transmittal enclosed with this Circular includes a space for Eligible Holders to request a tax instruction letter to assist them in making such election. Under the Support Agreement, Kinross has agreed to make a joint election with any Eligible Holder that provides the necessary information within 90 days of the Effective Date in accordance with the procedures set out in the tax instruction letter.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Underworld Shares to Kinross under the Offer unless those shares constitute "taxable Canadian property" (within the meaning of the Tax Act) to such Shareholders and the gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

Shareholders should review the more detailed information under Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations", and consult with their own tax advisors regarding their particular circumstances.

How will U.S. Holders be taxed for United States federal income tax purposes?

A U.S. Holder who receives Kinross Shares and Canadian currency in exchange for its Underworld Shares pursuant to the Offer should recognize a gain or loss equal to the difference between (i) the sum of the fair market value of the Kinross Shares received and the U.S. dollar value of Canadian currency received, and (ii) such holder's adjusted tax basis in its Underworld Shares.

Underworld has indicated to Kinross that it believes that it likely has been a PFIC in prior taxable years, and likely will be a PFIC for its current taxable year. If Underworld is a PFIC for one or more years during which a U.S. Holder has held Underworld Shares, under the PFIC rules: (i) any gain on the disposition of Underworld Shares pursuant to the Offer will be allocated ratably over such holder's holding period for the Underworld Shares; (ii) the amount allocated to the current taxable year and any year prior to the first year in which Underworld was classified as a PFIC will be taxed as ordinary income in the current year; (iii) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and (iv) an interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the other taxable years described in clause (iii) above, which interest charge is not deductible by non-corporate U.S. Holders.

U.S. Holders should review the more detailed information under Section 17 of the Circular, "Certain Tax Considerations – Certain United States Federal Income Tax Considerations", and consult with their own tax advisors regarding their particular circumstances.

Will I be able to trade the Kinross Shares I receive?

You will be able to trade the Kinross Shares that you receive under the Offer. Statutory exemptions allow such trading in Canada and upon our registration statement on Form F-8 filed with the SEC becoming effective in the United States, non-affiliates of Kinross will be able to trade their Kinross Shares received under the Offer in the United States or in Canada. In connection with the Offer, we have applied to list on the TSX and the NYSE the Kinross Shares offered to Shareholders pursuant to the Offer.

Is Kinross' financial condition relevant to my decision to tender my Underworld Shares in the Offer?

Yes. Kinross Shares will be issued to Shareholders who validly tender their Underworld Shares, so you should consider our financial condition before you decide to tender your Underworld Shares to the Offer. In considering our financial condition, you should review the documents included and incorporated by reference in the Offer and Circular because they contain detailed business, financial and other information about us.

If I decide not to tender, how will my Underworld Shares be affected?

If we take up and pay for the Underworld Shares validly tendered, we currently intend to take such action as is necessary, including effecting a Compulsory Acquisition or Subsequent Acquisition Transaction, to acquire any Underworld Shares not tendered. It is our current intention that the consideration to be offered for Underworld Shares under such Compulsory Acquisition or Subsequent Acquisition Transaction will be the same consideration offered under the Offer. In connection with such a transaction, you may have dissent rights. We reserve the right not to complete a Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited".

Do I have dissent rights under the Offer?

No. Shareholders will not have dissenters' or appraisal rights in connection with the Offer. However, holders of Underworld Shares who do not tender their Underworld Shares to the Offer may have rights of dissent in the event we elect to acquire such Underworld Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited".

Will Underworld continue as a public company?

If, as a result of the Offer and any subsequent transaction, the number of holders of Underworld Shares is sufficiently reduced, Underworld may cease to be a reporting issuer. The rules and the regulations of the TSX-V could also, upon the consummation of the Offer and/or a subsequent transaction, lead to the delisting of the Underworld Shares from such exchange. To the extent permitted by applicable law, we intend to delist the Underworld Shares from the TSX-V. See Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld".

What is the market value of my Underworld Shares as at a recent date?

On March 10, 2010, which is the last trading day prior to the date on which we announced our intention to make the Offer, the closing price of the Underworld Shares listed on the TSX-V was Cdn.\$1.93. The volume-weighted average price of the Underworld Shares on the TSX-V for the 20 trading days ended March 10, 2010 was Cdn.\$1.81. Based on the closing price of the Kinross Shares on the TSX on March 10, 2010, the Offer represented a premium of approximately 36.0% over the closing price of the Underworld Shares on the TSX-V on the same date. The Offer represented a premium of approximately 50.2% based on the volume-weighted average prices of the Underworld Shares and the Kinross Shares on the TSX-V and the TSX, respectively, for the 20 trading days ended March 10, 2010.

We urge you to obtain a recent quotation for the Underworld Shares before deciding whether or not to tender your Underworld Shares.

See Section 2 of the Circular, "Underworld Price Range and Trading Volume of Underworld Shares".

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Who can I call with questions about the Offer or for more information?

You can call the Depositary and Information Agent, Kingsdale Shareholder Services Inc., if you have questions or requests for additional copies of the Offer and Circular. Questions and requests should be directed to the following telephone numbers:

North American Toll Free Number: 1-866-581-1513

Outside North America, Banks and Brokers Call Collect: 416-867-2272

GLOSSARY

In the Offer and Circular, unless the context otherwise requires, the following terms have the meanings set forth below.

"**Acquisition Proposal**" has the meaning given to it in Section 4 of the Circular, "Background to the Offer Covenants Regarding Non-Solicitation".

"**allowable capital loss**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations Holders Resident in Canada Taxation of Capital Gains and Losses".

"**affiliate**" has the meaning ascribed thereto in the OBCA.

"**Appointee**" has the meaning given to it in Section 5 of the Offer to Purchase, "Manner of Acceptance Power of Attorney".

"**Appropriate Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities required in connection with the commencement of the Offer or the consummation of the Offer.

"**associate**" has the meaning ascribed thereto in the OBCA.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended.

"**Book-Entry Confirmation**" means confirmation of a book-entry transfer of a Shareholder's Underworld Shares into the Depository's account at CDS.

"**business day**" means any day of the week, other than a Saturday, a Sunday or a statutory or civic holiday observed in Toronto, Ontario or Vancouver, B.C.

"**Canadian GAAP**" means Canadian generally accepted accounting principles as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants applied on a consistent basis.

"**CDS**" means the CDS Clearing and Depository Services Inc.

"**CDSX**" means the CDS on-line tendering system pursuant to which book-entry transfers may be effected.

"**Circular**" means the take-over bid circular accompanying the Offer, including the Annexes attached thereto.

"**Code**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain United States Federal Income Tax Considerations".

"**Compelled Acquisition**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Compelled Acquisition".

"**Compulsory Acquisition**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Compulsory Acquisition".

"**Corporate Reorganization**" has the meaning given to it in Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld".

"**Contemplated Transaction**" means the Offer, the take-up of the Underworld Shares pursuant to the Offer, any Compulsory Acquisition, any Subsequent Acquisition Transaction, any alternative transaction contemplated by the Support Agreement and any transactions contemplated by the Lock-Up Agreements.

"**Court**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Compulsory Acquisition".

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"CRA" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations - Certain Canadian Federal Income Tax Considerations - General".

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"**Dealer Managers**" means RBC Dominion Securities Inc. in Canada and RBC Capital Markets Corporation in the United States, and "**Dealer Manager**" means either one of them.

"**Depository**" means Kingsdale Shareholder Services Inc.

"**Deposited Shares**" has the meaning given to it in Section 5 of the Offer to Purchase, "Manner of Acceptance Dividends and Distributions".

"**Dissenting Offeree**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Compulsory Acquisition".

"**Distributions**" has the meaning given to it in Section 5 of the Offer to Purchase, "Manner of Acceptance Dividends and Distributions".

"**Effective Date**" means the date on which Kinross first pays for Underworld Shares deposited under the Offer.

"**Elected Amount**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations Holders Resident in Canada Resident Holders Who Accept the Offer".

"**Eligible Holder**" means a beneficial holder of Underworld Shares that is (i) a resident of Canada for the purposes of the Tax Act and not exempt from tax under Part I of the Tax Act, or (ii) a partnership, any member of which is a resident of Canada for the purposes of the Tax Act (other than a partnership, all members of which that are residents of Canada are exempt from tax under Part I of the Tax Act).

"**Eligible Institution**" means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of a Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks or trust companies in the United States.

"**Expiry Date**" means April 26, 2010, or any subsequent date set out in any notice of Kinross extending the period during which the Underworld Shares may be deposited under the Offer; provided that, if such day is not a business day, then the Expiry Date shall be the next business day.

"**Expiry Time**" means 5:00 p.m. (Vancouver time) on the Expiry Date or such other time as is set out in a notice of variation of the Offer issued at any time and from time to time. See Section 6 of the Offer to Purchase, "Extensions, Variations and Changes to the Offer".

"**forward-looking statements**" has the meaning given to it in "Statements Regarding Forward-Looking Information".

"**fully-diluted basis**" means, with respect to the number of outstanding Underworld Shares at any time, the number of Underworld Shares that would be outstanding if all rights to acquire Underworld Shares were exercised, including for greater certainty, all Underworld Shares issuable upon the exercise of Underworld Options and Underworld Warrants, whether vested or unvested, but excluding Underworld Shares issuable on exercise of the Underworld Options held by the Locked-Up Shareholders.

"**Governmental Entity**" means: (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; (c) any self-regulatory authority; (d) the TSX; (e) the TSX-V; or (f) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**Holder**" or " **Holders**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations General".

"**including**" (or "**includes**") means including (or includes) without limitation.

"**Information Agent**" means Kingsdale Shareholder Services Inc.

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"**IRS**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain United States Federal Income Tax Considerations".

"**Kinross**" means Kinross Gold Corporation, a corporation existing under the OBCA and, where the context requires, its subsidiaries.

"**Kinross Material Adverse Effect**" means any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse to the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, capitalization or financial condition (including cash resources) or prospects of Kinross and its subsidiaries taken as a whole, other than changes, effects, events, occurrences or states of facts relating solely to (a) any change, effect, event, occurrence or state of facts relating to the North American economy or securities markets in general, (b) changes affecting the global mining industry generally, (c) any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof, (d) any change in the market price of gold or (e) any change in the market price or trading volume of the Kinross Shares related to the Support Agreement and the Offer or the announcement thereof, or primarily resulting from a change, effect, event, occurrence or state of facts excluded from this definition of Kinross Material Adverse Effect under clauses (a), (b), (c) or (d) hereof; provided, however, that such change, effect, event, occurrence or state of facts referred to in clause (a), (b), (c) or (d) above does not primarily relate only to (or have the effect of primarily relating only to) Kinross and its subsidiaries, taken as a whole, or disproportionately adversely affect Kinross and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which Kinross and its subsidiaries operate.

"**Kinross Share**" means a common share in the capital of Kinross.

"**Kinross Share Reference Price**" means the volume-weighted average trading price on the TSX of the Kinross Shares over the five business days ending one business day before the Expiry Date.

"**laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law, orders, ordinances, judgments, decrees or other requirements and the terms and conditions of any grant of approval, permission, authority or licence of or from any Governmental Entity and the term "**applicable**" with respect to such laws and in a context that refers to one or more parties, means such laws as are applicable to such party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the party or parties or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of acceptance and transmittal in the form accompanying the Offer and Circular (printed on yellow paper).

"**Lock-Up Agreements**" means the lock-up agreements dated March 15, 2010 between Kinross, on one hand, and each of the Locked-Up Shareholders, on the other, as amended from time to time.

"**Locked-Up Shareholders**" means the directors and senior management of the Company, being Darryl Cardey, Janice Davies, Marcel H. de Groot, Adrian Fleming, Christopher Herald, Robert McLeod, Cale Moodie, Jeffrey Sundar and Michael Williams, who together hold 3,586,300 Underworld common shares and 2,775,000 Underworld Options;.

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

"**Minimum Tender Condition**" means that there will have been validly deposited under the Offer and not withdrawn at the Expiry Time that number of Underworld Shares which, together with any Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 66²/₃% of the Underworld Shares outstanding (calculated on a fully-diluted basis) at the Expiry Time.

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

"**Non-Resident Holder**" or "**Non-Resident Holders**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations Holders Not Resident in Canada".

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"**Notice of Guaranteed Delivery**" means the notice of guaranteed delivery (printed on green paper) in the form accompanying the Offer and Circular.

"**NYSE**" means the New York Stock Exchange.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Offer**" means Kinross' offer to purchase the Underworld Shares made hereby, the terms and conditions of which are set forth in the Offer to Purchase, the Circular, the Letter of Transmittal, and the Notice of Guaranteed Delivery.

"**Offer and Circular**" means the Offer to Purchase and the Circular, collectively.

"**Offer to Purchase**" means the offer to purchase Underworld Shares as described herein.

"**Offered Consideration**" means 0.141 of a Kinross Share plus Cdn.\$0.01 for each Underworld Share.

"**Offeror**" means Kinross.

"**Offeror's Notice**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Compulsory Acquisition".

"**Option Exchange Ratio**" means 0.141.

"**person**" includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

"**PFIC**" means a "passive foreign investment company" within the meaning of Section 1297 of the Code.

"**Proposed Agreement**" means any agreement, other than confidentiality and standstill agreement, with any person providing for or to facilitate any Acquisition Proposal.

"**Proposed Amendments**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations General".

"**Purchased Securities**" has the meaning given to it in Section 5 of the Offer to Purchase, "Manner of Acceptance Power of Attorney".

"**Replacement Option**" has the meaning given to it in Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld Treatment of Underworld Options and Underworld Warrants".

"**Resident Holder**" or "**Resident Holders**" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations Certain Canadian Federal Income Tax Considerations Holders Resident in Canada".

"**SEC**" means the United States Securities and Exchange Commission.

"**Shareholder**" means a holder of Underworld Shares.

"**Soliciting Dealer Group**" has the meaning given to it in "Summary of the Offer Dealer Managers and Soliciting Dealer Group and Information Agent".

"**Soliciting Dealer**" has the meaning given to it in Section 19 of the Circular, "Dealer Managers and Soliciting Dealer Group".

"**Subsequent Acquisition Transaction**" has the meaning given to it in Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited Subsequent Acquisition Transaction".

"**subsidiary**" means, with respect to a specified body corporate, any body corporate of which 50% or more of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include

any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary.

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"Superior Proposal" means an unsolicited bona fide Acquisition Proposal made by a third party to Underworld in writing after the date hereof: (i) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or similar transaction, all of the Underworld Shares and offering or making available the same consideration in form and amount per Underworld Share to be purchased or otherwise acquired; (ii) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (iii) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the board of directors, acting in good faith (after receipt of advice from its financial advisors and outside legal counsel), will be obtained; (iv) which is not subject to a due diligence and/or access condition; (v) that did not result from a breach of the Support Agreement by Underworld or its representatives; and (vi) in respect of which the board of directors determines in good faith (after receipt of advice from its outside legal counsel with respect to (x) below and financial advisors with respect to (y) below) that (x) failure to recommend such Acquisition Proposal to Shareholders would be inconsistent with its fiduciary duties and (y) which would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to Shareholders from a financial point of view than the Offer (including any adjustment to the terms and conditions of the Offer proposed by Kinross pursuant to the Support Agreement).

"Support Agreement" means the support agreement dated March 15, 2010 between Kinross and Underworld, providing, among other things, for the making of the Offer and the agreement of Underworld to support the Offer.

"Take-Up Date" means a date upon which Kinross takes up or acquires Underworld Shares under the Offer.

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended.

"Tax Election" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Resident Holders who Accept the Offer".

"taxable capital gain" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Losses".

"Termination Fee" has the meaning given to it in Section 4 of the Circular, "Background to the Offer – Support Agreement – Termination Payments".

"trading day" means any day on which trading occurs on the TSX, TSX-V or NYSE, as applicable.

"TSX" means the Toronto Stock Exchange.

"TSX-V" means the TSX Venture Exchange.

"U.S. Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"U.S. Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"U.S. Holder" has the meaning given to it in Section 17 of the Circular, "Certain Tax Considerations – Certain United States Federal Income Tax Considerations".

"Underworld" means Underworld Resources Inc., a corporation existing under the BCBCA and, where the context requires, its subsidiaries.

"Underworld Material Adverse Effect" means any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse to: (x) the assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), business, operations, capitalization or financial condition (including cash resources) or prospects of Underworld and its subsidiaries taken as a whole; or (y) the continued ownership, development and operation of the Yukon

Properties, in either case, other than changes, effects, events, occurrences or states of facts relating solely to (a) any change, effect, event, occurrence or state of facts relating to the North American economy or securities markets in general, (b) changes affecting the global mining industry generally, (c) any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof, (d) any change in the market price of gold, or (e) any change in the market price or trading volume of the Underworld Shares related to the Support Agreement and the Offer or the announcement thereof, or primarily resulting from a change, effect, event, occurrence or state of facts excluded from this definition of Underworld Material Adverse Effect under clauses (a), (b), (c) or (d) hereof; provided, however, that such change, effect, event, occurrence or state of facts referred to in clause (a), (b), (c) or (d) above does not primarily relate only to (or have the effect of primarily relating only to) Underworld and its subsidiaries, taken as a whole, or disproportionately adversely affect Underworld and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which Underworld and its subsidiaries operate.

"Underworld Option" means an option to purchase Underworld Shares granted under the Underworld Stock Option Plan.

"Underworld Share" means a common share in the capital of Underworld.

"Underworld Stock Option Plan" means the stock option plan of Underworld dated December 15, 2006, as reapproved by the Shareholders on March 17, 2009.

"Underworld Warrants" means each of the common share purchase warrants issued by Underworld, including in particular: (a) the warrants issued on October 16, 2008 with an exercise price of \$0.55 per share and an expiry date of October 30, 2010; (b) the warrants issued November 5, 2008 with an exercise price of \$0.55 per share and an expiry date of November 5, 2010; (c) the warrants issued February 27, 2009 with an exercise price of \$0.40 per share and an expiry date of February 27, 2011; (d) the warrants issued June 19, 2009 with an exercise price of \$1.50 per share and an expiry date of June 19, 2010; (e) the warrants issued June 19, 2009 with an exercise price of \$1.60 per share and an expiry date of June 19, 2010; and (f) the warrants issued June 19, 2009 with an exercise price of \$1.65 and an expiry date of June 19, 2010.

"Yukon Properties" means all of Underworld's properties located in the Yukon Territory together with (a) all privileges, rights, easements and appurtenances both at law and equity belonging to or for the benefit of such properties, including means of access between such properties and a public way and (b) all rights associated with the ownership, development or operation of such properties, including mineral interests and rights (including any claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights).

SUMMARY OF THE OFFER

This summary highlights information more fully discussed elsewhere in the Offer and Circular. This summary is not intended to be complete and is qualified by reference to the more detailed information contained in those documents. Shareholders are urged to read the more detailed information about Kinross, the Offer and the Kinross Shares provided elsewhere in the Offer and Circular and in the documents incorporated by reference. Capitalized terms used in this summary, where not otherwise defined herein, are defined in the Section entitled "Glossary" above.

The Offer

The Offeror is offering, upon the terms and subject to the conditions of the Offer, to purchase all of the issued and outstanding Underworld Shares, other than any Underworld Shares owned directly or indirectly by the Offeror, and including any Underworld Shares that may become issued and outstanding after the date of this Offer but prior to the Expiry Time upon the conversion, exchange or exercise of any securities of Underworld that are convertible into or exchangeable or exercisable for Underworld Shares, on the basis of 0.141 of a Kinross Share plus Cdn.\$0.01.

The Offer is made only for Underworld Shares and is not made for any Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares. Any holder of Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares who wishes to accept the Offer should, to the extent permitted by their terms and applicable law, fully exercise or exchange their Underworld Options, Underworld Warrants or other rights in order to obtain certificates representing Underworld Shares that may be deposited in accordance with the terms of the Offer.

See Section 1 of the Offer to Purchase, "The Offer".

Kinross

Kinross is a company principally engaged in the mining and processing of gold and, as a by-product, silver ore and the exploration for, and the acquisition of, gold bearing properties in North and South America and the Russian Federation. The principal products of Kinross are gold and silver produced in the form of doré that is shipped to refineries for final processing. The Kinross Shares are listed on the TSX under the symbol "K" and on the NYSE under the symbol "KGC".

Kinross is a reporting issuer or the equivalent in all provinces of Canada and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at www.sedar.com. Kinross is also an SEC registrant and, accordingly, files with or furnishes to the SEC certain documents. Such documents are available at www.sec.gov.

See Section 1 of the Circular, "Kinross".

Underworld

Underworld is a mineral exploration company governed by the BCBCA and is engaged in the acquisition, exploration and development of mineral properties. Underworld currently directly or indirectly holds or has the right to acquire interests in a number of mineral properties in the Yukon Territory. In particular, Underworld is focusing substantially all of its resources on the Yukon Properties.

The Underworld Shares are listed and posted for trading on the TSX-V under the symbol "UW".

Underworld is a reporting issuer or the equivalent thereof in the provinces of British Columbia, Alberta, Ontario and the Northwest Territories and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at www.sedar.com.

See Section 2 of the Circular, "Underworld".

Purpose of the Offer

The purpose of the Offer is to enable Kinross to acquire all of the outstanding Underworld Shares.

Strategic Rationale for the Proposed Acquisition

Kinross believes that the successful completion of the Offer and subsequent acquisition of Underworld will add an attractive, early-stage exploration project to Kinross' balanced portfolio of quality assets. For Shareholders, the Offer represents a substantial premium to the pre-announcement trading price of the Underworld Shares. Based on the closing price of the Kinross Shares on the TSX on March 10, 2010, the Offer represented a premium of approximately 36.0% over the closing price of the Underworld Shares on the TSX-V on the same date. The Offer represented a premium of approximately 50.2% based on the volume-weighted average prices of the Underworld Shares and the Kinross Shares on the TSX-V and the TSX, respectively, for the 20 trading days ended March 10, 2010.

These anticipated benefits are based on various assumptions and are subject to various risks. See "Statements Regarding Forward-Looking Information" and Section 7 of the Circular, "Risk Factors Related to the Offer".

Conditions of the Offer

The Offeror reserves the right to withdraw the Offer and not take up, purchase or pay for any Underworld Shares deposited under the Offer unless all of the conditions of the Offer contained in Section 2 of the Offer to Purchase, "Conditions of the Offer", are satisfied or, where permitted, waived at or prior to the Expiry Time. These conditions include, among others, the condition that there being validly deposited under the Offer and not withdrawn at the Expiry Time, such number of Underworld Shares which, together with Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 66²/₃% of the outstanding Underworld Shares (calculated on a fully-diluted basis), and the Support Agreement shall not have been terminated by Kinross or Underworld in accordance with its terms.

See Section 2 of the Offer to Purchase, "Conditions of the Offer", for all of the conditions of the Offer.

Time for Acceptance

The Offer is open for acceptance until 5:00 p.m. (Vancouver time) on April 26, 2010 or until such later time and date to which the Offeror may extend the Expiry Time of the Offer at its discretion unless the Offer is extended or withdrawn by the Offeror. See Section 4 of the Offer to Purchase, "Time for Acceptance".

Manner of Acceptance

Shareholders who wish to accept the Offer and deposit their Underworld Shares must properly complete and execute the accompanying Letter of Transmittal (printed on yellow paper) or a manually signed facsimile thereof and deposit it, together with the certificates representing their Underworld Shares and all other required documents, at the offices of the Depositary in accordance with the instructions in the Letter of Transmittal or request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction on their behalf. Alternatively, Shareholders may: (1) accept the Offer by following the procedures for book-entry transfer of Underworld Shares; or (2) accept the Offer where the certificates representing the Underworld Shares are not immediately available, or if the certificates and all of the required documents cannot be provided to the Depositary before the Expiry Time, by following the procedures for guaranteed delivery, using the accompanying Notice of Guaranteed Delivery (printed on green paper) or a manually signed facsimile thereof. Shareholders whose Underworld Shares are registered in the name of a nominee should consult their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Underworld Shares. Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Underworld Shares directly with the Depositary or if they make use of the services of the Dealer Managers or a member of the Soliciting Dealer Group to accept the Offer. See Section 5 of the Offer to Purchase, "Manner of Acceptance".

Payment for Deposited Shares

Upon the terms and subject to the conditions of the Offer, Kinross will take up Underworld Shares validly deposited under the Offer and not withdrawn not later than ten calendar days after the Expiry Time and will pay for the Underworld Shares taken up as soon as possible, but not later than three business days after taking-up the Underworld Shares. Any Underworld Shares deposited under the Offer after the first date on which Underworld Shares have been taken up by Kinross will be taken up and paid for not later than ten days after such deposit. See Section 3 of the Offer to Purchase, "Take-Up and Payment for Deposited Shares".

Right to Withdraw Deposited Shares

Underworld Shares deposited under the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the Underworld Shares have been taken up by the Offeror pursuant to the Offer and in the other circumstances discussed in Section 8 of the Offer to Purchase, "Right to Withdraw Deposited Shares".

Acquisition of Underworld Shares Not Deposited Under the Offer

If the conditions of the Offer are satisfied or waived and Kinross takes up and pays for Underworld Shares validly deposited under the Offer, Kinross intends to take such action as is necessary, including effecting a Compulsory Acquisition of those Underworld Shares not deposited under the Offer, causing a special meeting of Shareholders to be called to consider an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Underworld and Kinross, or an affiliate of Kinross, for the purpose of enabling Kinross or an affiliate of Kinross to acquire all Underworld Shares not acquired pursuant to the Offer. Kinross intends that the value of the consideration offered per Underworld Share under any Subsequent Acquisition Transaction proposed by it would be equal in value to and in the same form as the consideration paid to Shareholders under the Offer (provided that, in calculating the value of the consideration offered in any Subsequent Acquisition Transaction, each Kinross Share shall be deemed to be at least equal in value to each Kinross Share offered under the Offer). See Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited".

Support Agreement

On March 15, 2010, Kinross and Underworld entered into the Support Agreement. The Support Agreement sets forth, among other things, the terms and conditions upon which the Offer is to be made by Kinross. Pursuant to the Support Agreement, Underworld agreed to a non-solicitation covenant and to support the Offer, among other things. See Section 4 of the Circular, "Background to the Offer Support Agreement".

Lock-Up Agreements

Pursuant to the Lock-Up Agreements entered into with Kinross, the Locked-Up Shareholders have agreed to deposit under the Offer and not withdraw, subject to certain exceptions, all of the Underworld Shares collectively owned by them, including any Underworld Shares issued on exercise of Underworld Options prior to the Expiry Time. See Section 4 of the Circular, "Background to the Offer Lock-Up Agreements".

Recommendation of Board of Directors of Underworld

Underworld has confirmed in the Support Agreement that the board of directors of Underworld, upon consultation with its financial and legal advisors and on receipt of a recommendation of a special committee of Underworld directors, has unanimously determined that the Offer is fair from a financial point of view to Shareholders (other than Kinross) and is in the best interests of Underworld and the Shareholders (other than Kinross) and, accordingly, has unanimously recommended that Shareholders (other than Kinross) accept the Offer and deposit their Underworld Shares under the Offer. See Section 3 of the Circular, "Recommendation of the Board of Directors of Underworld".

Certain Canadian Federal Income Tax Considerations

A beneficial holder of Underworld Shares who is resident in Canada, who holds Underworld Shares as capital property and who disposes of such shares to Kinross under the Offer (unless such holder has entered into a joint Tax Election with Kinross to obtain a full or partial tax deferral when available as described in Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations") will generally realize a capital gain (or capital loss) equal to the amount by which the sum of the fair market value, on the date of disposition, of the Kinross Shares and the Canadian currency received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the holder of such Underworld Shares.

An Eligible Holder who disposes of Underworld Shares may, depending upon the circumstances, obtain a full or partial tax deferral in respect of a disposition of Underworld Shares by entering into a joint Tax Election with Kinross under section 85 of the Tax Act (and the corresponding provisions of any applicable provincial tax legislation) specifying therein an elected amount in accordance with certain limitations provided for in the Tax Act (and in any applicable provincial tax legislation).

An Eligible Holder interested in making an election should indicate that intention in the Letter of Transmittal in the space provided therein, and a tax instruction letter setting out the procedure for completing the relevant Tax Election forms will be sent to the Eligible Holder at or about the time that the Eligible Holder is sent the portion of the Offered Consideration to which the Eligible Holder is entitled.

Any Eligible Holder that does not ensure that information necessary to make an election has been received in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Expiry Time will not be able to benefit from the tax deferral provisions of the Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act will not be subject to tax under the Tax Act in respect of any capital gain realized on the sale of Underworld Shares to Kinross under the Offer unless those shares constitute "taxable Canadian property" (within the meaning of the Tax Act) to such Shareholders and the gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty.

Shareholders should review the more detailed information under Section 17 of the Circular, "Certain Tax Considerations – Certain Canadian Federal Income Tax Considerations", and consult with their own tax advisors regarding their particular circumstances.

Certain United States Federal Income Tax Considerations

A U.S. Holder who receives Kinross Shares and Canadian currency in exchange for its Underworld Shares pursuant to the Offer should recognize a gain or loss equal to the difference between (i) the sum of the fair market value of the Kinross Shares received and the U.S. dollar value of Canadian currency received, and (ii) such holder's adjusted tax basis in its Underworld Shares.

Underworld has indicated to Kinross that it believes that it likely has been a PFIC in prior taxable years, and likely will be a PFIC for its current taxable year. If Underworld is a PFIC for one or more years during which a U.S. Holder has held Underworld Shares, under the PFIC rules: (i) any gain on the disposition of Underworld Shares pursuant to the Offer will be allocated ratably over such holder's holding period for the Underworld Shares; (ii) the amount allocated to the current taxable year and any year prior to the first year in which Underworld was classified as a PFIC will be taxed as ordinary income in the current year; (iii) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year; and (iv) an interest charge for a deemed deferral benefit will be imposed with respect to the resulting tax attributable to each of the other taxable years described in clause (iii) above, which interest charge is not deductible by non-corporate U.S. Holders.

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U.S. Holders should review the more detailed information under Section 17 of the Circular, "Certain Tax Considerations Certain United States Federal Income Tax Considerations", and consult with their own tax advisors regarding their particular circumstances.

Risk Factors Related to the Offer

An investment in Kinross Shares is subject to certain risks. Shareholders should carefully review the risk factors set out in the Offer and Circular before depositing Underworld Shares pursuant to the Offer. See Section 7 of the Circular, "Risk Factors Related to the Offer", and the other information contained in, or incorporated by reference into, the Offer and Circular. Additional risks and uncertainties, including those with respect to the proposed combination of Kinross and Underworld upon successful completion of the Offer (including a Compulsory Acquisition or a Subsequent Acquisition Transaction) may also adversely affect Kinross' business.

Depository and Information Agent

Kinross has engaged Kingsdale Shareholder Services Inc. to act as Depository for the receipt of certificates in respect of Deposited Shares and related Letters of Transmittal and Notices of Guaranteed Delivery deposited under the Offer and for the payment for Underworld Shares purchased by Kinross pursuant to the Offer. The Depository will receive reasonable and customary compensation from Kinross for its services relating to the Offer and will be reimbursed for certain out-of-pocket expenses. Kinross has also agreed to indemnify the Depository for certain liabilities, including liabilities under securities laws, and expenses in connection with the Offer.

Kinross has also retained Kingsdale Shareholder Services Inc. to act as Information Agent in connection with the Offer to provide a resource for information for Shareholders. The Information Agent will receive reasonable and customary compensation from Kinross for services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses.

Dealer Managers and Soliciting Dealer Group

Kinross has engaged the services of RBC Dominion Securities Inc. as Dealer Manager in Canada and RBC Capital Markets Corporation as Dealer Manager in the United States to solicit acceptances of the Offer. The Dealer Manager has agreed to form a soliciting dealer group (the "**Soliciting Dealer Group**") comprised of members of the Investment Industry Regulatory Organization of Canada and members of the TSX, the TSX-V and the Financial Industry Regulatory Authority to solicit acceptances of the Offer. See Section 19 of the Circular, "Dealer Managers and Soliciting Dealer Group".

OFFER TO PURCHASE

March 19, 2010

TO: THE HOLDERS OF COMMON SHARES OF UNDERWORLD

The accompanying Circular, which is incorporated into and forms part of the Offer to Purchase, contains important information and should be read carefully before making a decision with respect to the Offer. This Offer to Purchase and the Circular constitute the take-over bid circular required under applicable Canadian securities laws. Capitalized terms used in the Offer to Purchase but not otherwise defined herein are defined in the section entitled "Glossary".

1. The Offer

The Offeror hereby offers to purchase, upon the terms and subject to the conditions of the Offer, all of the issued and outstanding Underworld Shares, other than any Underworld Shares owned directly or indirectly by the Offeror and including any Underworld Shares that may become issued and outstanding after the date of this Offer but prior to the Expiry Time upon the conversion, exchange or exercise of any securities of Underworld that are convertible into or exchangeable or exercisable for Underworld Shares, on the basis of 0.141 of a Kinross Share plus Cdn.\$0.01 in respect of each Underworld Share.

The Offer is made only for Underworld Shares and is not made for any Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares. Any holder of Underworld Options, Underworld Warrants or other rights to acquire Underworld Shares who wishes to accept the Offer should, to the extent permitted by their terms and applicable law, fully exercise or exchange the Underworld Options, Underworld Warrants or other rights in order to obtain certificates representing Underworld Shares that may be deposited in accordance with the terms of the Offer. Any such exercise or exchange must be made sufficiently in advance of the Expiry Date to ensure such holders that they will have certificates representing Underworld Shares available for deposit prior to the Expiry Time or in sufficient time to fully comply with the procedures referred to in Section 5 of this Offer to Purchase, "Manner of Acceptance Procedure for Guaranteed Delivery".

Following the Effective Date, provided that the Offeror has taken-up and paid for such number of Underworld Shares which, together with the Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 66²/₃% of the outstanding Underworld Shares (calculated on a fully-diluted basis) and has received all Appropriate Regulatory Approvals, if any holder of Underworld Options does not exercise such options and deposit the resulting Underworld Shares under the Offer prior to the Expiry Time, such Underworld Options shall be exchanged for Replacement Options. See Section 6 of the Circular, "Purpose of the Offer and Kinross' Plans for Underworld Treatment of Underworld Options and Underworld Warrants", and Section 8 of the Circular, "Acquisition of Underworld Shares Not Deposited".

Fractional Kinross Shares will not be issued in connection with the Offer. Where on any Take-Up Date the aggregate number of Kinross Shares to be issued to any Shareholder in exchange for such Shareholder's Underworld Shares would result in a fraction of a Kinross Share being issuable, the number of Kinross Shares to be received by such Shareholder will be rounded down to the nearest whole Kinross Share and, in lieu of a fractional Kinross Share, the Shareholder will receive a cash payment determined on the basis of an amount equal to the Kinross Share Reference Price multiplied by the fractional share amount. All cash payable in lieu of fractional Kinross Shares will be denominated in Canadian dollars.

The accompanying Circular, which is incorporated into and forms part of the Offer, and the Letter of Transmittal and the Notice of Guaranteed Delivery contain important information that should be read carefully before making a decision with respect to the Offer.

2. Conditions of the Offer

The Offeror shall have the right to withdraw the Offer and shall not be required to take up, purchase or pay for, and shall have the right to extend the period of time during which the Offer is open and postpone taking up

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and paying for, any Underworld Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror at or prior to the Expiry Time:

- (a) the Minimum Tender Condition;
- (b) all government or regulatory approvals (including the Appropriate Regulatory Approvals), waiting or suspensory periods, waivers, permits, consents, reviews, orders, rulings, decisions, and exemptions required by law, policy or practice (other than as referred to in paragraph (c) below) (including, those of any provincial securities authorities, stock exchanges or other securities regulatory authorities) in connection with the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction, shall have been obtained, received or concluded or, in the case of waiting or suspensory periods, expired or been terminated, each on terms satisfactory to Kinross, in its sole discretion, acting reasonably;
- (c) no act, action, suit or proceeding shall have been taken before or by any Governmental Entity (including, by any individual, company, firm, group or other entity), in Canada or elsewhere, whether or not having the force of law, and no law shall have been proposed, amended, enacted, promulgated or applied, in either case:
 - (i) to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by or the sale to the Offeror of the Underworld Shares or the right of the Offeror to own or exercise full rights of ownership of the Underworld Shares; or
 - (ii) which would reasonably be expected to have an Underworld Material Adverse Effect or, if the Offer were consummated, a Kinross Material Adverse Effect; or
 - (iii) which would materially and adversely affect the ability of the Offeror to proceed with the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction) and/or take up and pay for any Underworld Shares deposited under the Offer; or
 - (iv) seeking to obtain from Kinross or any its subsidiaries or Underworld or any of its subsidiaries any material damages directly or indirectly in connection with the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction); or
 - (v) seeking to prohibit or limit the ownership or operation by Kinross of any material portion of the business or assets of Underworld or its subsidiaries or to compel Kinross or its subsidiaries to dispose of or hold separate any material portion of the business or assets of Underworld or any of its subsidiaries as a result of the Offer (or any Compulsory Acquisition or any Subsequent Acquisition Transaction); or
- (d) there shall not exist any prohibition at law against the Offeror making the Offer or taking up and paying for any Underworld Shares deposited under the Offer or completing any Compulsory Acquisition or any Subsequent Acquisition Transaction;
- (e) all necessary orders, authorizations or consents which are required under all applicable securities laws and the rules and policies of the TSX and NYSE for the offering, issuance and listing of the Kinross Shares under the Offer shall have been obtained;
- (f) no Underworld Material Adverse Effect shall have occurred or arisen (or shall have been generally disclosed to, or discovered by, the Offeror if not previously disclosed in writing to the Offeror prior to the date of the Support Agreement);
- (g)

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the Offeror shall not have become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any public document filed by or on behalf of Underworld with any securities commission or similar securities regulatory authority in any of the provinces or territories of Canada or elsewhere, that constitutes an Underworld Material Adverse Effect;

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- (h) the board of directors of Underworld shall not have withdrawn any recommendation made by it that Shareholders accept the Offer or issued a recommendation in a manner that has substantially the same effect;
- (i) at the Expiry Time:
 - (i) all representations and warranties of Underworld in the Support Agreement: (A) that are qualified by a reference to an Underworld Material Adverse Effect or materiality shall be true and correct in all respects; and (B) that are not qualified by a reference to an Underworld Material Adverse Effect or materiality, shall be true and correct in all material respects; and
 - (ii) Underworld shall have observed and performed its covenants in the Support Agreement in all material respects to the extent that such covenants were to have been observed or performed by Underworld at or prior to the Expiry Time (without giving effect to, applying or taking into consideration any materiality qualification already contained in such covenant or obligation), and the Offeror shall have received, not more than seven hours before the Expiry Time, a certificate of Underworld, signed by two senior officers (without personal liability), satisfactory to the Offeror, acting reasonably, certifying the foregoing after due inquiry;
- (j) the Support Agreement shall not have been terminated in accordance with its terms; and
- (k) each of the Lock-Up Agreements shall have been complied with and shall not have been terminated.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such condition. The Offeror may, in the Offeror's sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, both before and after the Expiry Time, without prejudice to any other rights which the Offeror may have, provided that the Offeror may not waive the Minimum Tender Condition to acquire less than such number of Underworld Shares which, together with the Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 50.1% of the outstanding Underworld Shares (calculated on a fully-diluted basis) without the prior written consent of Underworld. If Kinross waives the Minimum Tender Condition on a date that is less than ten days prior to the Expiry Date, it shall extend the Offer for at least such period of time as is necessary to ensure that the Offer remains open for ten days from the date of such waiver. The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time. The Offeror reserves the right to withdraw the Offer on or prior to the Expiry Time if any condition to the Offer remains unsatisfied or has not been waived. Any determination by the Offeror concerning any event or other matter described in the foregoing conditions shall be final and binding on all parties.

Any waiver of a condition or the withdrawal of the Offer will be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its office in Toronto, Ontario. The Offeror, forthwith after giving any such notice, will make a public announcement of such waiver or withdrawal, will cause the Depositary, if required by law, as soon as practicable thereafter to notify Shareholders in the manner set forth below in Section 11 of this Offer to Purchase, "Notice and Delivery", and will provide a copy of such notice to the TSX and the NYSE. Any notice of waiver will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its office in Toronto, Ontario. In the event of any waiver, all Underworld Shares deposited previously and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms of the Offer. If the Offer is withdrawn, the Offeror will not be obligated to take up or pay for any Underworld Shares deposited under the Offer and the Depositary will promptly return all Underworld Shares to the parties by whom they were deposited in acceptance of the Offer. See Section 9 of this Offer to Purchase, "Return of Deposited Shares".

3. Take-Up and Payment for Deposited Shares

Upon the terms and subject to the conditions of the Offer (including but not limited to the conditions specified in Section 2 of this Offer to Purchase, "Conditions of the Offer"), the Offeror will take up Underworld

Shares validly deposited under the Offer and not withdrawn pursuant to Section 8 of this Offer to Purchase, "Right to Withdraw Deposited Shares", not later than ten calendar days after the Expiry Time and will pay for the Underworld Shares taken up as soon as possible, but in any event not later than three business days after taking up the Underworld Shares. Any Underworld Shares deposited under the Offer after the first date on which Underworld Shares have been taken up by the Offeror will be taken up and paid for not later than ten days after such deposit.

Subject to applicable law, the Offeror expressly reserves the right in its sole discretion to delay or otherwise refrain from taking up and paying for any Underworld Shares or to terminate the Offer and not take up or pay for any Underworld Shares if any condition of the Offer is not satisfied or, where permitted, waived by the Offeror by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its office in Toronto, Ontario. The Offeror also expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Underworld Shares in order to comply, in whole or in part, with any applicable law.

For the purposes of the Offer, the Offeror will be deemed to have taken up and accepted for payment Underworld Shares validly deposited and not validly withdrawn pursuant to the Offer if, as and when the Offeror gives written notice or other communication confirmed in writing to the Depositary of its acceptance for payment of such Deposited Shares pursuant to the Offer at its principal office in Toronto, Ontario.

The Offeror will pay for Underworld Shares validly deposited under the Offer and not withdrawn by providing the Depositary with the Offered Consideration in the form of sufficient certificates for Kinross Shares and sufficient funds (for fractional Kinross Shares) for transmittal to persons who have deposited Underworld Shares under the Offer. The Depositary will act as the agent of the persons who have deposited Underworld Shares in acceptance of the Offer for the purposes of receiving the Offered Consideration from the Offeror and transmitting such Offered Consideration to such persons. Receipt of the share certificates and cash representing the Offered Consideration by the Depositary will be deemed to constitute receipt of payment by persons depositing Underworld Shares pursuant to the Offer. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing Underworld Shares on the purchase price of Underworld Shares purchased by the Offeror, regardless of any delay in making such payment.

Settlement with each Shareholder who has validly deposited and not validly withdrawn Underworld Shares under the Offer will be made by the Depositary forwarding a certificate for the Kinross Shares to which such Shareholder is entitled and a cheque for an amount in Canadian dollars to which such Shareholder is entitled (in satisfaction of the Cdn.\$0.01 per Underworld Share and any fractional Kinross Shares that would have been otherwise payable to such Shareholder). Subject to the foregoing and unless otherwise directed by the Letter of Transmittal, the certificates and cheque will be issued in the name of the registered Shareholder of the Underworld Shares so deposited. Unless the person depositing the Underworld Shares instructs the Depositary to hold the certificates representing the Kinross Shares and cheques for pick-up by checking the appropriate box in the Letter of Transmittal, the certificates and cheque will be forwarded by first class insured mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the certificates and cheque will be sent to the address of the Shareholder as shown on the securities register maintained by or on behalf of Underworld. Certificates and cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing.

If any Deposited Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Underworld Shares than are deposited, certificates for unpurchased Underworld Shares will be returned, at the Offeror's expense, to the depositing Shareholder as soon as it is practicable following the Expiry Time or withdrawal or early termination of the Offer. Unless otherwise directed in the Letter of Transmittal, certificates representing unpurchased Underworld Shares will be forwarded to the address of the registered Shareholder as shown on the securities register maintained by Underworld.

Shareholders depositing Underworld Shares will not be required to pay any fee or commission if they accept the Offer by depositing their Underworld Shares directly with the Depositary or if they make use of the services of a member of the Soliciting Dealer Group to accept the Offer. If you own your Underworld Shares through a broker or other nominee who is not a member of the Soliciting Dealer Group and your broker or nominee tenders your Underworld Shares on your behalf, your broker or nominee may charge you a fee for doing so.

4. Time for Acceptance

The Offer is open for acceptance, unless extended or withdrawn by the Offeror in accordance with applicable law and the Support Agreement until 5:00 p.m. (Vancouver time) on April 26, 2010. See Section 6 of this Offer to Purchase, "Extensions, Variations and Changes to the Offer".

5. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by Shareholders by depositing the following documents with the Depositary at any of the offices specified in the Letter of Transmittal no later than the Expiry Time:

- (a) a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed as required by the instructions set out in the Letter of Transmittal;
- (b) the certificate(s) representing the Underworld Shares in respect of which the Offer is being accepted; and
- (c) any other documents required by the instructions set out in the Letter of Transmittal.

Participants in CDS should contact the Depositary with respect to the deposit of their Underworld Shares under the Offer. CDS will be issuing instructions to its participants as to the method of depositing such Underworld Shares under the Offer. No fee or commission will be payable by Shareholders who deposit their Underworld Shares pursuant to the Offer directly to the Depositary or who make use of the facilities of a member of a Soliciting Dealer Group to accept the Offer.

The Offer will be deemed to be accepted only if the Depositary actually has received these documents at or before the Expiry Time at one of the addresses for the Depositary indicated on the Letter of Transmittal.

Shareholders who cannot comply on a timely basis with these procedures for deposit of the requisite certificates for Underworld Shares may deposit certificates representing Underworld Shares pursuant to the procedure for guaranteed delivery described below.

Currency of Payment

The cash payable under the Offer will be denominated in Canadian dollars.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if:

- (a) the Letter of Transmittal is signed by the registered owner of the Underworld Shares exactly as the name of the registered Shareholder appears on the Underworld Share certificate deposited therewith, and the certificates for Kinross Shares issuable and the cash payable in each case under the Offer, are to be delivered directly to such registered Shareholder; or
- (b) Underworld Shares are deposited for the account of an Eligible Institution.

In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a certificate representing Underworld Shares is registered in the name of a person other than the signatory of a Letter of Transmittal or if the certificates for the Kinross Shares issuable and the cash payable are to be delivered to a person other than the registered owner, the certificate must be endorsed or accompanied by an appropriate power of attorney, in either case, signed exactly as the name of the registered owner appears on the certificate with the signature on the certificate or power of attorney guaranteed by an Eligible Institution.

Method of Delivery

The method of delivery of Underworld Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the depositing Shareholder. The Offeror recommends that those documents be delivered by hand to the Depository and that a receipt be obtained or, if certificates for Underworld Shares and the other documents are to be sent by mail, registered mail with return receipt requested, properly insured, is recommended, and it is suggested that the mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depository on or prior to such time. Delivery will only be effective upon actual receipt of certificates for such Underworld Shares by the Depository.

A Shareholder who wishes to deposit Underworld Shares under the Offer and whose Underworld Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to deposit such Underworld Shares under the Offer.

Procedure for Guaranteed Delivery

If a Shareholder wishes to accept the Offer and either (i) the certificates representing such Shareholder's Underworld Shares are not immediately available or (ii) such Shareholder cannot deliver the certificates and Letter of Transmittal to the Depository by the Expiry Time, those Underworld Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) such deposit is made only at the principal office of the Depository in Toronto, Ontario, by or through an Eligible Institution;
- (b) a Notice of Guaranteed Delivery (or a manually signed facsimile thereof), properly completed and duly executed, including a guarantee to deliver by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depository at its principal office in Toronto, Ontario, at or before the Expiry Time; and
- (c) the certificate(s) representing the Deposited Shares, in proper form for transfer, together with a properly completed and duly signed Letter of Transmittal (or a manually signed facsimile thereof), relating to such Underworld Shares, with signatures guaranteed if so required in accordance with the Letter of Transmittal, and all other documents required by such Letter of Transmittal, are received at the Toronto, Ontario, office of the Depository by 5:00 p.m. (Vancouver time) on the third trading day on the TSX-V after the Expiry Date.

The Notice of Guaranteed Delivery may be delivered by hand or couriered or transmitted by facsimile or mailed to the Depository only at its principal office in Toronto, Ontario, and must include a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate and other required documents to any other office other than the Toronto, Ontario office of the Depository does not constitute delivery for the purpose of satisfying the guaranteed delivery.

Acceptance by Book-Entry Transfer

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its office in Toronto, Ontario prior to the Expiry Time. The Depository has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Underworld Shares into the Depository's account in accordance with CDS procedures for such transfer. Delivery of Underworld Shares to the Depository by means of a book-entry transfer will constitute a valid tender under the Offer.

Shareholders, through their respective CDS participants, who use CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depository are considered a valid tender in accordance with the terms of the Offer.

Shareholders who wish to accept the Offer by Book-Entry Confirmation should contact the Depository for assistance. Contact details for the Depository may be found on the last page of the Offer to Purchase and Circular.

Determination of Validity

All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for exchange of any deposit of Underworld Shares will be determined by the Offeror in its sole discretion, which determination will be final and binding on all parties. The Offeror reserves the absolute right to reject any and all deposits of Underworld Shares determined by it not to be in proper form, or the issue of Kinross Shares and payment of cash in respect of which may, in the opinion of the Offeror's counsel, be unlawful. The Offeror also reserves the absolute right to waive: (i) any of the conditions of the Offer, provided, however, that pursuant to the Support Agreement the Offeror has agreed not to waive the Minimum Tender Condition in order to acquire less than such number of Underworld Shares which, together with the Underworld Shares and Underworld Warrants directly or indirectly owned by Kinross, constitutes at least 50.1% of the outstanding Underworld Shares (calculated on a fully-diluted basis) without the prior written consent of Underworld; or (ii) any defect or irregularity in any deposit of Underworld Shares. No deposit of Underworld Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. None of the Offeror, the Depository or any other person will be under any duty to give notification of any defect or irregularity in deposits or incur any liability for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding on all parties. The Offeror reserves the right to permit the Offer to be accepted in a manner other than as set forth herein.

Under no circumstances will any amount be paid by the Offeror or the Depository by reason of any delay in exchanging any Underworld Shares or in making payments for in lieu of fractional Kinross Shares to any person on account of Underworld Shares accepted for exchange pursuant to the Offer.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to Underworld Shares being validly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set forth above, a Shareholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Underworld Shares covered by the Letter of Transmittal delivered to the Depository (the "**Deposited Shares**") and in and to all rights and benefits arising from such Deposited Shares including any and all dividends, distributions, payments, securities, property or other interests which may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Shares or any of them on and after the date of the Offer, including any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**").

Power of Attorney

An executed Letter of Transmittal (or, in the case of shares deposited by book-entry transfer by the making of a book-entry transfer into the Depository's accounts with CDS) irrevocably approves, constitutes and appoints, effective on and after the date that the Offeror takes up and pays for the Deposited Shares covered by the Letter of Transmittal or book-entry transfer (which shares upon being taken up and paid for are, together with any Distributions thereon, hereinafter referred to as the "**Purchased Securities**"), certain officers of the Offeror and any other person designated by the Offeror in writing (each an "**Appointee**") as the true and lawful agents, attorneys and attorneys-in-fact and proxies, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), of the depositing Shareholder with respect to the Purchased Securities. The Letter of Transmittal or the making of a book-entry transfer authorizes an Appointee, in the name and on behalf of such Shareholder: (a) to register or record the transfer and/or cancellation of such Purchased Securities (to the extent consisting of securities) on the appropriate register maintained by or on behalf of Underworld; (b) for so long as any Purchased Securities are registered or recorded in the name of such Shareholder (whether or not they are now so registered or recorded), to exercise any and all rights of such Shareholder including the right to vote, to execute and deliver any and all instruments of proxy, authorizations

or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instrument, authorization or consent, and to designate in such instrument, authorization or consent any person or persons as the proxy of such Shareholder in respect of the Purchased Securities for all purposes including in connection with any meeting or meetings (whether annual, special or otherwise or any adjournment thereof, including any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Underworld; (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distribution payable to or to the order of, or endorsed in favour of, such Shareholder; and (d) to exercise any other rights of a holder of Purchased Securities.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Shares or any Distributions. The Shareholder accepting the Offer agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Shares are not taken up and paid for under the Offer. A Shareholder accepting the Offer also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournment thereof, including any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Underworld and not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Securities, and agrees to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy of the holder of the Purchased Securities. **Upon such appointment, all prior proxies and other authorizations (including all appointments of any agent, attorney-in-fact or attorney) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.**

Further Assurances

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such holder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

Binding Agreement

The acceptance of the Offer pursuant to the procedures set forth above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the Offeror taking up Underworld Shares deposited by such Shareholder, in accordance with the terms and conditions of the Offer. This agreement includes a representation and warranty by the depositing Shareholder that (i) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited Shares and has full power and authority to deposit, sell, assign and transfer the Deposited Shares and any Distributions being deposited under the Offer, (ii) the Deposited Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Shares and Distributions, to any other person, (iii) the deposit of the Deposited Shares and Distributions complies with applicable laws, and (iv) when the Deposited Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto, free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

6. Extensions, Variations and Changes to the Offer

The Offer will be open for acceptance at the places of deposit specified in the Letter of Transmittal until the Expiry Time, unless the Offer is extended or withdrawn by the Offeror.

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Subject to the limitations described below, the Offeror expressly reserves the right, in its sole discretion, at any time and from time to time while the Offer is open for acceptance, to vary the terms of the Offer or extend the Expiry Time, in accordance with applicable laws, by giving notice in writing to the Depositary at its office in Toronto, Ontario. Also, if at any time before the Expiry Time, or at any time after the Expiry Time, but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in this Offer to Purchase and Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror, unless it is a change in a material fact relating to the Kinross Shares), the Offeror will give written notice of such change to the Depositary at its office in Toronto, Ontario. Upon the giving of such notice to the Depositary, the Expiry Time or withdrawal rights, as applicable, will be deemed to be extended to the date specified in such notice or as required by applicable law, or in the case of a variation, the Offer will be deemed to be varied in the manner described in such notice, as the case may be. The Offeror will, as soon as practicable after giving any such notice to the Depositary, publicly announce the extension, variation or change and, if required by applicable law, cause the Depositary to mail a copy of any such notice to Shareholders as required by applicable securities legislation at their respective addresses appearing in the share register of Underworld. In addition, the Offeror will provide a copy of such notice to the TSX and the NYSE and the applicable regulatory authorities. Any notice of extension, variation or change will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depositary at its office in Toronto, Ontario. The Support Agreement and the Lock-Up Agreements restrict Kinross' ability to amend certain of the terms and conditions of the Offer without the prior written consent of Underworld and, in some cases, certain Locked-Up Shareholders. See Section 4 of the Circular, "Background to the Offer Support Agreement", and "Background to the Offer Lock-Up Agreements".

During any extension of the Offer, all Underworld Shares previously deposited and not withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms of the Offer, subject to Section 8 of this Offer to Purchase, "Right to Withdraw Deposited Shares". An extension of the Expiry Time will not, in and of itself, constitute a waiver by the Offeror of any of its rights under Section 2 of this Offer to Purchase, "Conditions of the Offer".

Under applicable Canadian provincial securities laws, if there is a variation in the terms of the Offer, the period during which Underworld Shares may be deposited under the Offer will not expire before ten days after the date that the notice of variation has been delivered.

If, before the Expiry Time, the Offeror in its sole discretion elects to increase the Offered Consideration, such increase will be applicable to all holders whose Underworld Shares are taken up under the Offer.

7. Changes in Capitalization of Underworld; Liens

If, on or after the date of the Offer, Underworld should divide, combine, reclassify, consolidate, convert or otherwise change any of the Underworld Shares or its capitalization, or should disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 2 of this Offer to Purchase, "Conditions of the Offer", make such adjustments as it deems appropriate to reflect such division, combination, reclassification, consolidation, conversion or other change in the Offered Consideration or other terms of the Offer (including the type of securities offered to be purchased and the consideration payable therefor).

Underworld Shares acquired pursuant to the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including the right to any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Underworld Shares, whether or not separated from the Underworld Shares, but subject to any Underworld Shares being validly withdrawn by or on behalf of a depositing Shareholder. If, on or after the date of the Offer, Underworld should declare or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Underworld Shares, which is or are payable or distributable to Shareholders of record on a date prior to the transfer into the name of the Offeror or its nominees or transferees on the

securities register maintained by or on behalf of Underworld in respect of Underworld Shares, then the whole of any such dividend, distribution, payment, right or other interest will be promptly remitted and transferred by the depositing Shareholder to the Depository for the account of the Offeror accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to any such dividend, distribution, payment, right or other interest and may deduct from the purchase price payable by the Offeror pursuant to the Offer the amount or value thereof, as determined by the Offeror in its sole discretion. The declaration or payment of any such dividend or distribution may have tax consequences not discussed in Section 17 of the Circular, "Certain Tax Considerations - Certain Canadian Federal Income Tax Considerations" and "Certain Tax Considerations - Certain United States Federal Income Tax Considerations".

8. Right to Withdraw Deposited Shares

Except as otherwise provided in this Section 8, all deposits of Underworld Shares to the Offer will be irrevocable. Unless otherwise required or permitted by applicable laws, any Underworld Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the Underworld Shares have been taken up by the Offeror pursuant to the Offer;
- (b) if the Underworld Shares have not been paid for by the Offeror within three business days after having been taken up; or
- (c) at any time before the expiration of ten days from the date upon which either:
 - (i) a notice of change relating to a change in the information contained in the Offer, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror, unless it is a change in a material fact relating to the Kinross Shares), in the event that such change occurs at or before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
 - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Underworld Shares where the Expiry Time is not extended for more than ten days), is mailed, delivered, or otherwise properly communicated, but subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or securities regulatory authorities and only if such Deposited Shares have not been taken up by the Offeror at the date of the notice.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be received in a timely manner by the Depository at the place of deposit of the relevant Underworld Shares. Any such notice of withdrawal must: (i) be made by a method, including a manually signed facsimile transmission, that provides the Depository with a written or printed copy; (ii) be signed by or on behalf of the person who signed the Letter of Transmittal (or Notice of Guaranteed Delivery) that accompanied the Underworld Shares to be withdrawn; (iii) specify the number of Underworld Shares to be withdrawn, the name of the registered Shareholder and the certificate number shown on the share certificate(s) representing each Underworld Share to be withdrawn; and (iv) must be actually received by the Depository at the place of deposit for the applicable Underworld Shares (or Notice of Guaranteed Delivery in respect thereof). No signature guarantee is required on a notice of withdrawal if the notice of withdrawal is signed by the registered Shareholder exactly as the name of the registered Shareholder appears on the certificate representing Underworld Shares deposited with the Letter of Transmittal or if the Underworld Shares were deposited for the account of an Eligible Institution. In all other cases, the signature on a notice of withdrawal must be guaranteed by an Eligible Institution. The withdrawal will take effect upon actual receipt by the Depository of the properly completed notice of withdrawal. **A withdrawal of Underworld Shares deposited pursuant to the Offer can only be accomplished in accordance with the foregoing procedure. The withdrawal will take effect only upon actual receipt by the Depository of the properly completed and executed written or facsimile notice of withdrawal.**

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Alternatively, if Underworld Shares have been deposited pursuant to the procedures for book-entry transfer, as set forth in Section 5 of this Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn Underworld Shares and otherwise comply with the procedures of CDS.

All questions as to form and validity (including time of receipt) of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There will be no duty or obligation on the Offeror, the Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal, and no liability will be incurred by any of them for failure to give such notice.

Withdrawals may not be rescinded and any Underworld Shares properly withdrawn will thereafter be deemed not validly deposited for the purposes of the Offer. However, withdrawn Underworld Shares may be re-deposited at any subsequent time prior to the Expiry Time by again following any of the procedures described in Section 5 of this Offer to Purchase, "Manner of Acceptance".

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for or exchanging the Underworld Shares or is unable to take up or pay for or exchange Underworld Shares for any reason, then, without prejudice to the Offeror's other rights under the Offer, the Depositary may, subject to applicable laws, retain on behalf of the Offeror all Deposited Shares and Distributions, and such Underworld Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this Section 8 or pursuant to applicable laws.

9. Return of Deposited Shares

If any Deposited Shares are not taken up and paid for pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Underworld Shares than are deposited, certificates for unpurchased Underworld Shares will be returned to the depositing Shareholder as soon as is practicable following the termination or withdrawal of the Offer by either (i) sending new certificates representing Underworld Shares not purchased or by returning the deposited certificates (and other relevant documents) or (ii) in the case of Underworld Shares deposited by book-entry transfer of such Underworld Shares pursuant to the procedures set forth in Section 5 of this Offer to Purchase, "Manner of Acceptance – Acceptance by Book-Entry Transfer", such Underworld Shares will be credited to the depositing Shareholder's account maintained with CDS. Certificates (and other relevant documents) will be forwarded by first class mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the share register maintained by Underworld or its transfer agent, as soon as practicable after the termination of the Offer.

10. Mail Service Interruption

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques, share certificates and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. A person entitled to cheques, share certificates and any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the Underworld Shares were delivered, upon application to the Depositary, until such time as the Offeror has determined that delivery by mail will no longer be delayed. Notwithstanding Section 11 of this Offer to Purchase, "Notice and Delivery", the deposit of cheques, share certificates and any other relevant documents with the Depositary in such circumstance will constitute delivery to the persons entitled thereto and the Underworld Shares will be deemed to have been paid for immediately upon such deposit. Notice of any determination regarding mail service delay or interruption made by the Offeror will be given in accordance with Section 11 of this Offer to Purchase, "Notice and Delivery".

11. Notice and Delivery

Without limiting any other lawful means of giving notice, any notice which the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given to registered Shareholders if it is mailed by prepaid, first class mail to the registered Shareholders at their respective addresses appearing in the appropriate registers maintained by Underworld in respect of the Underworld Shares

and will be deemed, unless otherwise specified by applicable laws, to have been received on the first business day following the date of mailing. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail service in Canada or the United States following mailing. Except as otherwise required or permitted by law, in the event of any interruption of mail service in Canada or the United States, the Offeror intends to make reasonable efforts to disseminate the notice by other means such as publication. Except as otherwise required or permitted by law, if post offices in Canada or the United States are not open for the deposit of mail, or there is reason to believe that there is or could be a disruption in all or any part of the postal service, any notice which the Offeror or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the TSX and the NYSE for dissemination through their facilities, (ii) if it is published once in the National Edition of *The Globe and Mail* or the *National Post*, or (iii) it is given to the Marketwire News Wire Service and the Dow Jones News Wire Service for dissemination through their facilities.

Unless post offices are not open for the deposit of mail, the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery will be mailed to registered Shareholders by first class mail, postage prepaid or made available in such other manner as is permitted by applicable regulatory authorities and the Offeror will use its reasonable efforts to furnish such documents to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the security holder list, or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmission to beneficial owners of Underworld Shares when such list or listing is received.

Wherever the Offer calls for documents to be delivered to the Depositary, those documents will not be considered delivered unless and until they have been physically received at one of the addresses listed for the Depositary in the Letter of Transmittal or the Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered to a particular office of the Depositary, those documents will not be considered delivered unless and until they have been physically received at the particular office at the address listed in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

12. Market Purchases

To the extent permitted by law, the Offeror reserves the right to, and may, acquire (or cause an affiliate to acquire) Underworld Shares by making purchases through the facilities of the TSX-V at any time and from time to time prior to the Expiry Time. In no event will the Offeror make any such purchases of Underworld Shares through the facilities of the TSX-V before the third business day following the date of the Offer. If the Offeror should acquire Underworld Shares by making purchases through the facilities of the TSX-V during the duration of the Offer, the Underworld Shares so purchased shall be counted in any determination as to whether the Minimum Tender Condition has been satisfied. The aggregate number of Underworld Shares acquired by the Offeror through the facilities of the TSX-V during the duration of the Offer shall not exceed 5% of the outstanding Underworld Shares, as applicable, as of the date of the Offer and the Offeror will issue a press release containing the information prescribed by law after the close of business of the TSX-V on each day on which such Underworld Shares have been purchased.

Although the Offeror has no current intention to do so, subject to compliance with applicable securities laws, the Offeror reserves the right to make or enter into an arrangement, commitment or understanding prior to the Expiry Time to sell after the Expiry Time any Underworld Shares taken up and paid for under the Offer.

13. Other Terms of the Offer

No broker, dealer or other person has been authorized to give any information or to make any representation or warranty on behalf of the Offeror other than as contained in the Offer and Circular and as set forth in the registration statement on Form F-8 filed by the Offeror in connection with the Offer, and, if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized.

The provisions of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions and rules contained therein, as applicable, form part of the terms and conditions of the Offer.

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Any such transfer will not relieve the Offeror of its obligations under the Offer and will not prejudice the rights of Shareholders depositing Underworld Shares to receive payment for Underworld Shares validly deposited and taken up pursuant to the Offer.

The Offer and all contracts resulting from the acceptance thereof will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the laws of such jurisdiction. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction to the courts of the Province of Ontario.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits of Underworld Shares be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer, the validity of any deposit of Underworld Shares, and the validity of any withdrawals of Underworld Shares.

The Offer to Purchase and the accompanying Circular constitute the take-over bid circular required under applicable Canadian provincial securities legislation with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

Dated: March 19, 2010

KINROSS GOLD CORPORATION

TYE W. BURT
President & Chief Executive Officer

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CIRCULAR

This Circular is furnished in connection with the Offer to Purchase dated March 19, 2010 by Kinross to purchase, upon the terms and subject to the conditions described therein, all of the issued and outstanding Underworld Shares, other than Underworld Shares owned directly or indirectly by the Offeror, and including any Underworld Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time, upon the conversion, exchange or exercise of any securities of Underworld that are convertible into or exchangeable or exercisable for Underworld Shares. The terms and provisions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Shareholders are urged to refer to the Offer to Purchase for details of its terms and conditions, including details as to payment and withdrawal rights. Defined terms used in the Offer to Purchase are used in the Circular with the same meaning unless the context otherwise requires.

1. Kinross

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

Kinross' strategy is to increase shareholder value through increases in precious metal reserves, production and long-term cash flow and earnings per share. Kinross' strategy also consists of optimizing the performance and, therefore, the value, of existing operations, investing in quality exploration and development projects and acquiring new potentially accretive properties and projects.

The material properties of Kinross as of December 31, 2009 were as follows:

Property⁽¹⁾	Location	Property Ownership
Fort Knox	United States	100% ⁽²⁾
Paracatu	Brazil	100%
Maricunga	Chile	100%
Kupol	Russian Federation	75% ⁽³⁾
Cerro Casale	Chile	50% ⁽⁴⁾
Fruta del Norte	Ecuador	100%

- (1) The Fort Knox and Paracatu properties are subject to various royalties.
- (2) Kinross holds a 100% interest in the properties forming part of the Fort Knox mine except for the Gil property, in which Kinross holds an 80% interest.
- (3) Kinross holds a 75% (less one share) interest in the Kupol mine. The remaining 25% (plus one share) is held by the State Unitary enterprise of the Chukotka Autonomous Okrug in the Far East Federal District of the Russian Federation.
- (4) The remaining 50% interest is held indirectly by Barrick Gold Corporation. On February 17, 2010, Kinross announced that it had entered into an agreement with certain subsidiaries of Barrick Gold Corporation (collectively, "**Barrick**") to sell one-half of its 50% interest in the Cerro Casale project to Barrick.

In addition, as of December 31, 2009, Kinross held a 50% interest in the Crixas mine, situated in Brazil, a 100% interest in the Kettle River mine in Washington, United States, which includes the Kettle River-Buckhorn mine, a 50% interest in the Round Mountain mine in Nevada, United States, a 100% interest in the La Coipa mine in Chile, a 100% interest in the Lobo-Marté property in Chile and other mining properties in various stages of exploration, development, reclamation, and closure. Kinross' principal product is gold and it also produces silver.

Kinross' share of proven and probable mineral reserves as at December 31, 2009 was 51.0 million ounces of gold, 102.9 million ounces of silver and 2.9 billion pounds of copper⁽¹⁾.

- (1) Kinross' copper reserves are all situated at the Cerro Casale project. Pursuant to an agreement dated February 17, 2010, Kinross has agreed to sell one-half of its 50% interest in the Cerro Casale project to Barrick.

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Kinross was initially created in May 1993 by the amalgamation of CMP Resources Ltd., Plexus Resources Corporation, and 1021105 Ontario Corp. In December 2000, Kinross amalgamated with LT Acquisition Inc.; in January 2005, Kinross amalgamated with its wholly-owned subsidiary, TVX Gold Inc.; and in January 2006 it amalgamated with its wholly-owned subsidiary, Echo Bay Mines Ltd. Kinross is the continuing entity resulting from these amalgamations. Kinross is governed by the OBCA and its registered and principal offices are located at 25 York Street, 17th Floor, Toronto, Ontario, M5J 2V5.

Kinross is a reporting issuer or the equivalent in all provinces of Canada and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at www.sedar.com. Kinross is also an SEC registrant and accordingly files with or furnishes to the SEC certain documents. Such documents are available at www.sec.gov.

Authorized and Outstanding Share Capital

Kinross is authorized to issue an unlimited number of Kinross Shares. As at March 17, 2010, there were 696,759,237 Kinross Shares issued and outstanding. There are no limitations contained in the articles or bylaws of Kinross on the ability of a person who is not a Canadian resident to hold Kinross Shares or exercise the voting rights associated with Kinross Shares. A summary of the rights of the Kinross Shares is set forth below.

Dividends

Holders of Kinross Shares are entitled to receive dividends when, as and if declared by the board of directors of Kinross out of funds legally available therefor, provided that if any Kinross preferred shares are at the time outstanding, the payment of dividends on Kinross Shares or other distributions (including repurchases of Kinross Shares by Kinross) will be subject to the declaration and payment of all cumulative dividends on outstanding Kinross preferred shares and any other preferred shares which are then outstanding. The OBCA provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is or would, after the payment of the dividend, be unable to pay its liabilities as they fall due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

Liquidation

In the event of the dissolution, liquidation, or winding up of Kinross, holders of Kinross Shares are entitled to share rateably in any assets remaining after the satisfaction in full of the prior rights of creditors, including holders of Kinross' indebtedness, and the payment of the aggregate liquidation preference of the Kinross preferred shares and any other preferred shares then outstanding.

Voting

Holders of Kinross Shares are entitled to one vote for each share on all matters voted on by shareholders, including the election of directors.

Price Range and Trading Volumes of Kinross Shares

The Kinross Shares are listed and posted for trading on the TSX and the NYSE under the trading symbols "K" and "KGC", respectively. The following table sets forth, for the periods indicated, the reported high, low and closing trading prices and the aggregate volume of trading of the Kinross Shares on the TSX and NYSE.

	Kinross Shares on the TSX				Kinross Shares on the NYSE			
	High (Cdn.\$)	Low (Cdn.\$)	Close (Cdn.\$)	Volume (#)	High (\$)	Low (\$)	Close (\$)	Volume (#)
2009								
March	\$23.84	\$ 18.40	\$ 22.91	112,252,471	\$19.41	\$14.33	\$17.87	32,837,400
April	\$23.50	\$ 16.52	\$ 18.39	104,765,208	\$18.65	\$13.62	\$15.45	33,964,200
May	\$22.50	\$ 18.25	\$ 21.91	68,642,766	\$20.49	\$15.33	\$20.22	24,781,600
June	\$22.66	\$ 19.07	\$ 21.20	66,631,657	\$20.98	\$16.48	\$18.15	27,556,900
July	\$22.94	\$ 20.01	\$ 21.25	58,443,690	\$20.75	\$17.22	\$19.64	21,014,200
August	\$22.24	\$ 19.91	\$ 20.78	50,248,640	\$20.72	\$17.96	\$18.95	21,742,400
September	\$25.22	\$ 20.21	\$ 23.33	93,296,675	\$23.65	\$18.43	\$21.70	44,465,900
October	\$24.59	\$ 19.25	\$ 20.10	78,759,313	\$23.91	\$17.85	\$18.58	42,458,200
November	\$21.33	\$ 18.82	\$ 21.02	92,190,627	\$20.31	\$17.45	\$20.02	36,471,200
December	\$23.47	\$ 18.73	\$ 19.37	83,722,578	\$22.45	\$17.50	\$18.40	35,336,100
2010								
January	\$21.80	\$ 17.23	\$ 17.31	53,383,769	\$21.12	\$16.15	\$16.26	21,877,700
February	\$20.29	\$ 17.26	\$ 19.07	54,318,367	\$19.46	\$16.13	\$18.12	26,996,600
March (1 to 18)	\$19.90	\$ 17.81	\$ 18.34	32,452,381	\$19.36	\$17.43	\$18.08	13,865,600

Kinross announced its intention to make the Offer on March 11, 2010. On March 10, 2010, the last trading day prior to such announcement, the closing price of the Kinross Shares on the TSX was Cdn.\$18.54. The volume-weighted average price of the Kinross Shares on the TSX for the 20 trading days ending on March 10, 2010 was Cdn.\$19.21. On March 10, 2010, the last trading day prior to such announcement, the closing price of the Kinross Shares on the NYSE was \$18.07. The volume-weighted average price of the Kinross Shares on the NYSE for the 20 trading days ending on March 10, 2010 was \$18.40.

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Prior Sales

For the 12 month period prior to the date of this Offer, other than as set forth above, Kinross has issued the Kinross Shares listed in the table set forth below:

Date	Security	Price per Security (Cdn.\$)	Number of Securities
March 2009	Common Shares ⁽¹⁾	\$ 12.97	109,334
March 2009	Common Shares ⁽³⁾	\$ 21.38	58,135
March 2009	Common Shares ⁽⁵⁾	\$ 1.76	119,120
March 2009	Common Shares ⁽⁶⁾	\$ 9.77	3,226
March 2009	Common Shares ⁽²⁾	NIL	3,341
April 2009	Common Shares ⁽¹⁾	\$ 10.53	36,408
April 2009	Common Shares ⁽⁶⁾	\$ 9.77	2,000
April 2009	Common Shares ⁽²⁾	NIL	139,779
May 2009	Common Shares ⁽¹⁾	\$ 10.77	92,997
May 2009	Common Shares ⁽²⁾	NIL	21,302
June 2009	Common Shares ⁽¹⁾	\$ 12.14	31,262
June 2009	Common Shares ⁽³⁾	\$ 20.61	57,302
June 2009	Common Shares ⁽⁵⁾	\$ 3.01	10,230
June 2009	Common Shares ⁽²⁾	NIL	12,822
July 2009	Common Shares ⁽¹⁾	\$ 13.76	16,331
July 2009	Common Shares ⁽⁶⁾	\$ 9.77	400
August 2009	Common Shares ⁽¹⁾	\$ 12.85	42,741
August 2009	Common Shares ⁽²⁾	NIL	24,158
August 2009	Common Shares ⁽⁵⁾	\$ 32.00	1
September 2009	Common Shares ⁽³⁾	\$ 23.61	49,747
September 2009	Common Shares ⁽¹⁾	\$ 14.00	344,735
September 2009	Common Shares ⁽⁵⁾	\$ 12.92	358,718
September 2009	Common Shares ⁽⁶⁾	\$ 9.77	9,500
September 2009	Common Shares ⁽²⁾	NIL	52,559
October 2009	Common Shares ⁽¹⁾	\$ 15.33	75,000
October 2009	Common Shares ⁽⁶⁾	\$ 9.77	2,500
November 2009	Common Shares ⁽⁵⁾	\$ 3.01	25,000

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November 2009	Common Shares ⁽²⁾		NIL	43,264
December 2009	Common Shares ⁽³⁾	\$	20.53	60,242
December 2009	Common Shares ⁽¹⁾	\$	9.76	18,610
December 2009	Common Shares ⁽²⁾		NIL	57,682
January 2010	Common Shares ⁽⁶⁾	\$	9.77	2,000
January 2010	Common Shares ⁽¹⁾	\$	13.41	18,507
January 2010	Common Shares ⁽²⁾		NIL	127,653
February 2010	Common Shares ⁽²⁾		NIL	438,848
March 2010	Common Shares ⁽¹⁾	\$	12.73	145,000

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- (1) Issued upon exercise of previously issued stock options of Kinross. Price per security with respect to the exercise of stock options is based on the weighted monthly average.
- (2) Issued upon expiry of restricted period for previously issued restricted share units of Kinross.
- (3) Issued pursuant to the employee share purchase plan of Kinross.
- (4) Issued upon the exercise of previously issued warrants of Kinross.
- (5) Issued upon exercise of previously issued stock options of Aurelian Resources Inc., a wholly-owned subsidiary of Kinross. Price per security with respect to the exercise of stock options is based on the weighted monthly average.
- (6) Issued upon exercise of previously issued stock options of Bema Gold Corp., a wholly-owned subsidiary of Kinross. Price per security with respect to the exercise of stock options is based on the weighted monthly average.

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For the 12 month period prior to the date of this Offer, Kinross has issued the options to purchase Kinross Shares listed in the table set forth below:

Date	Security	Exercise Price per Security (Cdn.\$)	Number of Securities⁽¹⁾
March 2009	Stock	Nil	Nil
	Options		
April 2009	Stock	Nil	Nil
	Options		
May 2009	Stock	\$19.05	138,093
	Options		
June 2009	Stock	Nil	Nil
	Options		
July 2009	Stock	Nil	Nil
	Options		
August 2009	Stock	\$21.05	105,747
	Options		
September 2009	Stock	Nil	Nil
	Options		
October 2009	Stock	Nil	Nil
	Options		
November 2009	Stock	\$20.09	43,319
	Options		
December 2009	Stock	\$20.89	33,803
	Options		
January 2010	Stock	Nil	Nil
	Options		
February 2010	Stock	\$19.23	1,315,171
	Options		
March 2010	Stock	Nil	Nil
	Options		

(1) In the 12 months prior to the date of the Offer 305,812 stock options were cancelled.

For the 12 month period prior to the date of this Offer, Kinross has issued the restricted share units listed in the table set forth below:

Date	Security	Price per Security (Cdn.\$)⁽¹⁾	Number of Securities⁽²⁾
March 2009	Restricted Share Unit	N/A	Nil
April 2009	Restricted Share Unit	N/A	Nil
May 2009	Restricted Share Unit	N/A	147,990
June 2009	Restricted Share Unit	N/A	Nil
July 2009	Restricted Share Unit	N/A	Nil
August 2009	Restricted Share Unit	N/A	91,218
September 2009	Restricted Share Unit	N/A	Nil
October 2009	Restricted Share Unit	N/A	Nil
November 2009	Restricted Share Unit	N/A	27,776
December 2009	Restricted Share Unit	N/A	55,239

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January 2010	Restricted Share Unit	N/A	Nil
February 2010	Restricted Share Unit	N/A	1,207,358
March 2010	Restricted Share Unit	N/A	Nil

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- (1) There are no exercise prices for the restricted share units.
- (2) In the 12 months prior to the date of the Offer 193,719 restricted share units were cancelled.

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Consolidated Capitalization

The following table sets forth Kinross's consolidated capitalization as at December 31, 2009, adjusted to give effect to any material changes in the share capital of Kinross since December 31, 2009, the date of Kinross's most recent audited consolidated financial statements, and further adjusted to give effect to the Offer. The table should be read in conjunction with the audited consolidated financial statements of Kinross as at and for the year ended December 31, 2009 including the notes thereto, and management's discussion and analysis thereof and the other financial information contained in or incorporated by reference in this Offer to Purchase and Circular.

	As at December 31, 2009	As at December 31, 2009 After Giving Effect to the Offer
Kinross Share Capital	\$ 6,448,100,000	\$ 6,571,860,993 ⁽²⁾
Kinross Shares ⁽¹⁾		
(Authorized Unlimited)	696,027,270	702,869,215 ⁽²⁾
Cash, Cash Equivalents and Short-Term Investments	\$ 632,400,000	\$ 631,914,756
Total Debt	\$ 692,400,000	\$ 692,400,000

- (1) Excluding 7,192,080 Kinross Shares issuable pursuant to outstanding options, 24,725,000 Kinross Shares underlying outstanding Kinross warrants, 1,856,046 Kinross Shares issuable pursuant to outstanding restricted share units and 16,152,000 Kinross Shares issuable upon conversion of the unsecured convertible senior notes due March 15, 2028, each in the principal amount of \$1,000, issued pursuant to a private offering completed January 29, 2008.
- (2) Assumes all Underworld Shares other than those beneficially owned directly or indirectly by Kinross are deposited under the Offer and further assumes the exercise of all the outstanding Underworld Options and Underworld Warrants.

Kinross Documents Incorporated by Reference and Further Information

The following documents of Kinross are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) annual information form dated March 31, 2009 for the year ended December 31, 2008;
- (b) annual audited consolidated financial statements for the year ended December 31, 2009, including consolidated balance sheets as at December 31, 2009 and December 31, 2008 and the consolidated statements of operations, cash flows, common shareholders' equity and comprehensive income (loss) for each of the years in the three-year period ended December 31, 2009 and related notes, together with the auditors' report thereon, contained therein;
- (c) management's discussion and analysis for the annual audited consolidated financial statements for the year ended December 31, 2009;
- (d) management information circular dated March 31, 2009 in connection with the annual and special meeting of shareholders held on May 6, 2009;
- (e) material change report dated February 9, 2009 announcing the completion of a bought deal public offering of Kinross Shares;
- (f) material change report dated March 3, 2009 announcing that Kinross had entered into a new shareholder rights plan;
- (g) material change report dated March 30, 2009 announcing that Kinross had entered into a subscription agreement with Harry Winston Diamond Corporation in relation to an investment in the Diavik Diamond Mine in Canada's Northwest Territories;

(h)

material change report dated November 3, 2009 announcing an update on the expansion of the Paracatu project and a revised 2009 production outlook;

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- (i) material change report dated November 11, 2009 announcing that Kinross had received authorization to recommence advanced exploration at the Fruta Del Norte gold project in Ecuador;
- (j) press release, dated January 28, 2010 announcing Kinross' mineral reserve and resource statement as at December 31, 2009; and
- (k) material change report dated February 24, 2010 announcing that Kinross had entered into an agreement with Barrick to sell one-half of its 50% interest in the Cerro Casale project in Chile to Barrick.

All documents of the type referred to above (excluding confidential material change reports) and any business acquisition reports subsequently filed by Kinross with any securities commission or similar regulatory authority in Canada on or after the date of this Offer to Purchase and Circular and prior to the Expiry Time shall be deemed to be incorporated by reference into this Offer to Purchase and Circular. To the extent that any document or information incorporated by reference into the Offer to Purchase and Circular is included in a report that is filed with the SEC on Form 40-F or 6-K, such document or information shall also be deemed to be incorporated by reference as an exhibit to the registration statement on Form F-8 covering the Kinross Shares to be issued pursuant to this Offer.

Any statement contained herein or in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Offer to Purchase and Circular to the extent that a statement contained herein, or in any subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying statement or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Offer to Purchase and Circular.

Information has been incorporated by reference in this Circular from documents filed with the securities regulatory authority in each of the provinces of Canada. Copies of the documents incorporated by reference in the Circular regarding Kinross may be obtained on request without charge from the Corporate Secretary, Kinross Gold Corporation, 25 York Street, 17th Floor, Toronto, Ontario, M5J 2V5 or by telephone at (416) 365-5123 or (866) 561-3636. For purpose of the Province of Québec, the Circular contains information to be completed by consulting the permanent information record, a copy of which permanent information record may be obtained without charge from the Corporate Secretary of Kinross at the above-mentioned address and telephone number. Copies of documents incorporated by reference or forming part of the permanent information record may be obtained by accessing the website of the Canadian securities regulatory authorities located at www.sedar.com and the SEC website located at www.sec.gov.

Information contained in or otherwise accessed through Kinross' website, www.kinross.com, or any other website does not form part of this Offer to Purchase and Circular.

2. Underworld

The information concerning Underworld contained in the Offer to Purchase and this Circular, including information incorporated herein by reference, has been taken from or based upon publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. Although Kinross does not have any knowledge that would indicate that any statements contained herein relating to Underworld taken from or based upon such documents and records are inaccurate or incomplete, neither Kinross nor any of its officers or directors assumes any responsibility for the accuracy or completeness of the information relating to Underworld taken from or based upon such documents and records, or for any failure by Underworld to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Kinross.

Overview

Underworld is a mineral exploration company governed by the BCBCA and is engaged in the acquisition, exploration and development of mineral properties. Underworld currently directly or indirectly holds or has the right to acquire interests in a number of mineral properties in the Yukon Territory. In particular, Underworld is focusing substantially all of its resources on its Yukon Properties. The registered office of Underworld is located at DuMoulin Black LLP, 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 and the principal office is located at Suite 1500, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

Underworld is a reporting issuer or the equivalent in the provinces of British Columbia, Alberta, Ontario and the Northwest Territories and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at www.sedar.com.

Share Capital of Underworld

Underworld is authorized to issue an unlimited number of Underworld Shares. As at March 15, 2010, 42,177,587 Underworld Shares were issued and outstanding.

Holders of Underworld Shares are entitled to one vote per share at all meetings of shareholders of the corporation. Holders of Underworld Shares are entitled to receive dividends