

KINROSS GOLD CORP  
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## NEWS RELEASE

### **Kinross announces proposed acquisition of Underworld Resources Offer represents a premium of 36%**

**Toronto, Ontario, March 11, 2010** Kinross Gold Corporation (TSX: K, NYSE: KGC) and Underworld Resources Inc. ( Underworld ) (TSX-V: UW) announced today that they have entered into a letter agreement whereby Kinross would offer to acquire 100% of the outstanding common shares of Underworld (the Common Shares ) by way of a friendly take-over bid, other than the 8.5% of the Common Shares already owned by Kinross (on a fully-diluted basis). Subject to the execution of definitive agreements, the board of directors of Underworld unanimously recommends the offer to its shareholders and the directors and management team have agreed to tender their shares to the offer. Pursuant to the terms of the letter agreement, Underworld has agreed to work exclusively with Kinross toward the conclusion of a definitive support agreement which is anticipated to be executed and delivered by the parties by March 15, 2010.

#### **Highlights of the proposed transaction**

- For each Common Share of Underworld, Kinross will offer 0.141 of a Kinross common share, plus \$0.01 in cash. The offer represents an implied offer price of approximately \$2.62 per Common Share, based on the March 10, 2010 closing price of \$18.54 per Kinross common share on the Toronto Stock Exchange (the TSX ). The transaction values the fully-diluted share capital of Underworld at approximately \$39.2 million.
- The offer represents an attractive premium of 36.0% over the closing price of the Common Shares on the TSX Venture Exchange ( TSX-V ) on March 10, 2010, the last day of trading prior to announcement of the offer, and a premium of approximately 50.2% based on the

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volume-weighted average prices of the Common Shares and Kinross common shares, for the 20 trading days ended March 10, 2010.

The offer will provide Underworld shareholders with immediate value for Underworld's current assets and future growth potential, said Kinross President and Chief Executive Officer, Tye W. Burt. It will also give Underworld shareholders the opportunity to participate in a senior gold producer with a proven track record and significant upside potential as we advance the next wave of our growth program. We have great respect for Underworld's management and employees, and their efforts to advance the White Gold project to its current stage of development.

Full details of the offer will be included in the formal offer and take-over bid circular (the Circular) expected to be mailed to Underworld shareholders shortly after definitive agreements have been entered into between Kinross and Underworld. The offer will be open for acceptance for at least 35 days following the commencement of the offer. The offer will be subject to several conditions, including acceptance of the offer by the holders of at least two-thirds of the outstanding Common Shares (calculated on a fully-diluted basis) and the receipt of all necessary regulatory approvals. It is expected that if Kinross acquires at least two-thirds of the outstanding Common Shares, Kinross intends to take steps to acquire all outstanding Common Shares not acquired pursuant to the offer. If 100% of the Common Shares are tendered, Kinross will issue approximately 6.8 million common shares pursuant to the transaction (based on the fully-diluted share capital of Underworld), representing approximately 1.0% of Kinross' current outstanding common shares.

Underworld is a junior exploration company focused in Canada. Underworld's key asset is the White Gold project, located in the Tintina gold belt, approximately 95 km south of Dawson City, Yukon Territory,

*[www.kinross.com](http://www.kinross.com)*

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## **About Kinross Gold Corporation**

Kinross is a Canadian-based gold mining company with mines and projects in the United States, Brazil, Chile, Ecuador and Russia, employing approximately 5,500 people worldwide.

Kinross' strategic focus is to maximize net asset value and cash flow per share through a four-point plan built on: delivering mine and financial performance; attracting and retaining the best people in the industry; achieving operating excellence through the Kinross Way; and delivering future value through profitable growth opportunities.

Kinross maintains listings on the Toronto Stock Exchange (symbol:K) and the New York Stock Exchange (symbol:KGC).

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## **Cautionary statement on forward-looking information**

*All statements, other than statements of historical fact, contained in this news release, including any information as to the future financial or operating performance of Kinross, constitute forward-looking information or forward-looking statements within the meaning of certain securities laws, including the provisions of the Securities Act (Ontario) and the safe harbour provisions under the United States Private Securities Litigation Reform Act of 1995 and are based on the expectations, estimates and projections of management as of the date of this news release unless otherwise stated.*

*Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Kinross as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of Kinross contained in this news release, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the Circular prepared and to be filed in accordance with applicable securities laws in Canada and the United States as well as: (1) that Kinross will complete the acquisition of Underworld in accordance with the terms and conditions of the offer; (2) the accuracy of management's assessment of the effects of the successful completion of the offer; (3) the accuracy of Kinross and Underworld's mineral reserve and mineral resource estimates; (4) 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; (5) the trading price of Kinross's common shares and the Common Shares; (6) there being no significant disruptions affecting Kinross's operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (7) permitting Kinross to undertake certain measures regarding White Gold, and in particular with respect to certain employment initiatives; (8) that the exchange rate between the Canadian dollar, Brazilian real, Chilean peso, Russian ruble and the U.S. dollar will be approximately consistent with current levels or as set out in this news release; (9) certain price assumptions for gold and silver; (10) prices for natural gas, fuel oil, electricity and other key supplies remaining consistent with current levels; (11) production forecasts meet expectations; (12) labour and materials costs increasing on a basis consistent with Kinross's current expectations; and (13) permitting, development and expansion at Kinross's existing properties, including the preparation of any feasibility studies, on a basis consistent with our current expectations.*

*The forward-looking information set forth in this news release is subject to various risks and other factors which could cause actual results to differ materially from those expressed or implied in the forward-looking information, including the risk that the acquisition of Underworld will not*

*be completed for any reason. Certain of these risks, factors, estimates and assumptions are described in more detail in Kinross' most recently filed Annual Information Form in the section entitled "Risk Factors" and the "Risk Analysis" section of our most recently filed Management's Discussion and Analysis, to which readers are referred and which are incorporated by reference in this news release. In addition, all forward-looking statements made in this news release are qualified by the full "Cautionary Statement" in such Annual Information Form and the "Cautionary Statement on Forward Looking Information" in such Management's Discussion and Analysis. These risks, factors, estimates and assumptions are not exhaustive. Kinross disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.*

#### **Other Information**

*Where we say "we", "us", "our", "the Company", or "Kinross" in this news release, we mean Kinross and/or its subsidiaries, as may be applicable.*

*All dollar amounts in this news release are expressed in Canadian dollars, unless otherwise noted.*

*This news release is for informational purposes only and does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of Kinross or Underworld. Such an offer may only be made pursuant to the Circular to be filed with the securities regulatory authorities in Canada. Investors and security holders are urged to read the Circular regarding the proposed transaction referred to in these documents when they become available, because they will contain important information.*

*Investors may obtain a free copy of the Circular when it becomes available and other documents filed by Kinross with the Canadian provincial securities regulators on SEDAR at [www.sedar.com](http://www.sedar.com). The Circular and these other documents may also be obtained for free, once they have been mailed, on Kinross' website. Alternatively, investors may request these documents from Kingsdale Shareholder Services Inc., Kinross information agent, at The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2, 1-866-581-1513.*

*This news release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any of the securities of Kinross or Underworld. Such an offer may only be made pursuant to an offer and takeover bid circular filed with the securities regulatory authorities in Canada. Kinross plans to file an offer and take-over bid circular with Canadian provincial securities regulatory authorities. Kinross also intends to file with the U.S. Securities and Exchange Commission a Registration Statement on Form F-8 which will include the offer and take-over bid circular. **Investors and security holders are urged to read the offer and take-over bid circular regarding the proposed transaction referred to in these documents when they become available, because they will contain important information.** Investors may obtain a free copy of the offer and take-over bid circular when they become available and other documents filed by Kinross with the Canadian provincial securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com), and with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). The offer and take-over bid circular and these other documents may also be obtained for free, once they have been mailed, on Kinross' website.*