

# Intermediate Gold Production in Ontario High Grade Camp



September, 2011



# Kirkland Lake Gold Inc.

## Cautionary Note Regarding Forward Looking Statements

This Press Release may contain statements which constitute ‘forward-looking statements’ within the meaning of the Private Securities Litigation Reform Act of 1995 of the United States of America, including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities and operating performance of the Company. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors. Such risks, uncertainties and factors are described in the Company’s periodic filings with the Securities and Exchange Commission, including the Company’s annual report on Form 20-F and current report on Form 6-K, which may be viewed on EDGAR at [www.sec.gov](http://www.sec.gov), and its periodic filings with the Canadian securities regulatory authorities, including the Company’s Annual Information Form and quarterly and annual Management’s Discussion & Analysis, which may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com). Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.



# Management and Executive Board Members

**Harry Dobson,  
Chairman**

- Decades of experience in mining capital markets
- Cofounder of Kirkland Lake Gold with Brian Hinchcliffe

**Brian Hinchcliffe,  
President, CEO  
and Director**

- Over thirty years experience in the development of mining projects and companies
- 10 years working at J Aron Goldman Sachs as a metals trader
- Cofounder of Kirkland Lake Gold with Harry Dobson

**Mark Tessier,  
COO and Director**

- Seven years overseeing mine expansion project and underground mining operations at Goldcorp's Red Lake Mine, a new discovery in historic camp permitted expansion to 600,000 yearly gold production
- BSc. In Mining Engineering with Honours from Queens University
- In Ontario, has also worked in operations, engineering, or management at the Denison Mine in Elliot Lake, the Dome Mine in Timmins, the Golden Giant Mine at Hemlo, and for JS Redpath Limited out of North Bay

**John Thomson,  
CFO and Director**

- Chartered Accountant who has studied at INSEAD
- Variety of senior level positions with large Companies such as Pepsico



# Kirkland Lake Gold Profile



**LISTINGS:** KGI - TORONTO (TSX)  
KGI - LONDON (AIM)

**SHARES OUTSTANDING:** BASIC 69,876,112  
FULLY DILUTED 71,731,112

**RECENT:** 52 WEEK HIGH \$20.00  
52 WEEK LOW \$7.69

**MARKET CAP:** \$1.37 BILLION (AUGUST 30, 2011, \$19.76)

**CASH BALANCE:** C\$41.2 MILLION (JULY 5, 2011), NO DEBT

**OWNERSHIP:** EUROPEAN INSTITUTIONS 33%  
NORTH AMERICAN INSTITUTIONS 28%  
MANAGEMENT AND DIRECTORS 27%  
RETAIL 12%

**ANALYST COVERAGE:** NATIONAL BANK FINANCIAL  
DUNDEE SECURITIES  
CIBC WORLD MARKETS  
OCEAN EQUITIES  
PANMURE GORDON

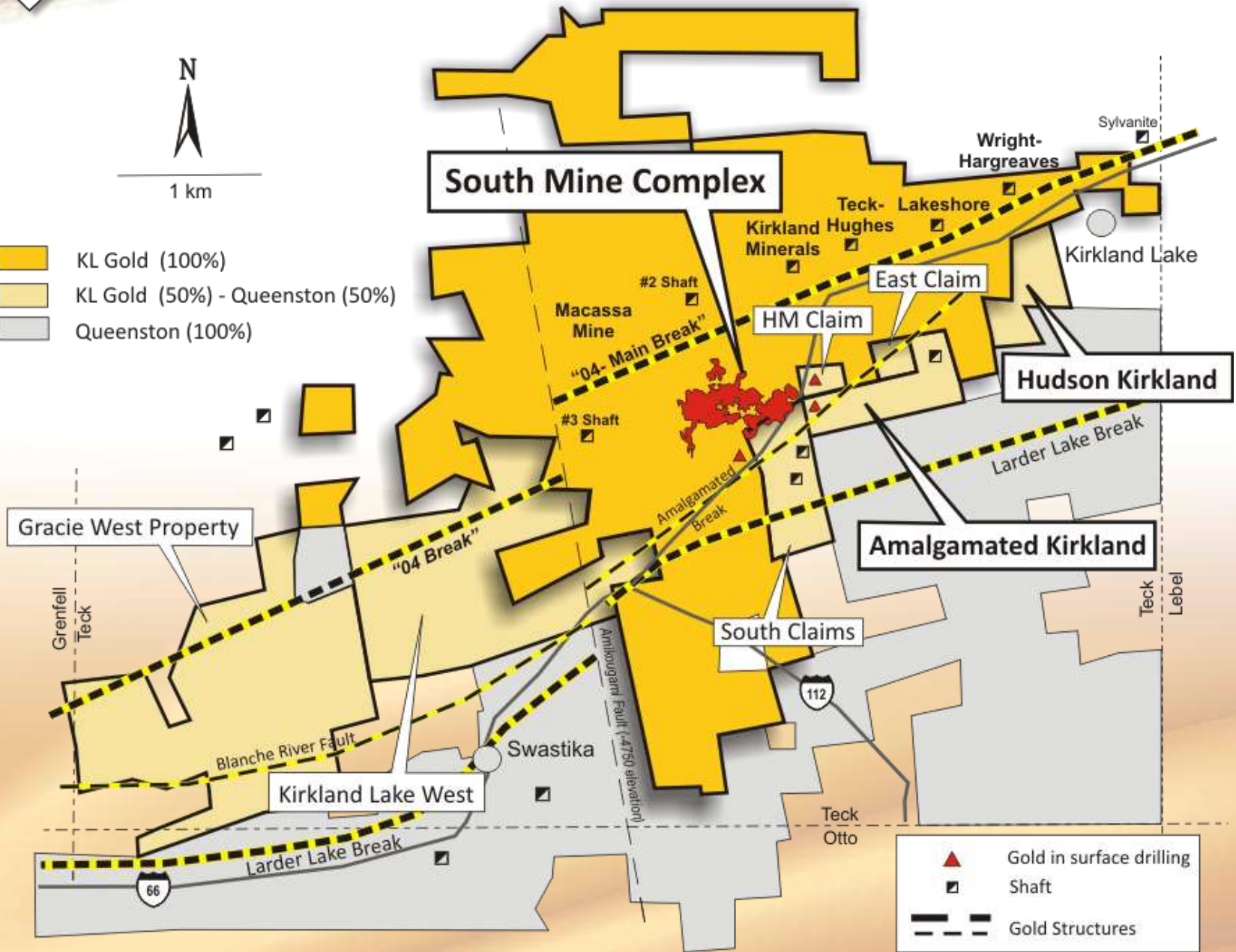
| KGI MINES - HISTORIC PRODUCTION |                       |                        |
|---------------------------------|-----------------------|------------------------|
| MINE                            | GOLD OUNCES RECOVERED | GOLD OUNCES PER TON    |
| WRIGHT-HARGREAVES               | 4,821,296             | 0.49                   |
| LAKE SHORE                      | 8,602,791             | 0.50                   |
| TECK HUGHES                     | 3,709,007             | 0.38                   |
| KIRKLAND MINERALS               | 1,172,955             | 0.37                   |
| MACASSA                         | 3,569,253             | 0.44                   |
| <b>TOTAL - 1917 TO 2004</b>     | <b>21,875,302</b>     | <b>0.44 (15.1 g/t)</b> |

# 10 KMs of Strike Length



1 km

- KL Gold (100%)
- KL Gold (50%) - Queenston (50%)
- Queenston (100%)



- Gold in surface drilling
- Shaft
- Gold Structures



# KGI Production Growth Strategy

## Recent and Exploration News:

- FY 2012 Q1: Record quarterly production of **25,060** grading **0.45 ounces/ton**
- May 2011 drilling returns **8.16 opt over 46.7 feet TW**, on Eastern portion of SMC
- June 2011 drilling continues to expand SMC to East – **1.05 opt over 37.5 feet TW** (located 110 feet North of above intersection)

## Current Production Growth:

May 1<sup>st</sup> to April 30<sup>th</sup> Fiscal Year, Presently in Q2 FY 2012:

- **FY2012:** 110,000 – 130,000 ozs (CY May 1, 2011 – April 30, 2012)
- **FY2013:** 180,000 – 200,000 ozs (CY May 1, 2012 – April 30, 2013)
- **FY2014-16:** 210,000 – 250,000 ozs

## Capex Significantly Lowered by Existing Infrastructure for Production Growth:

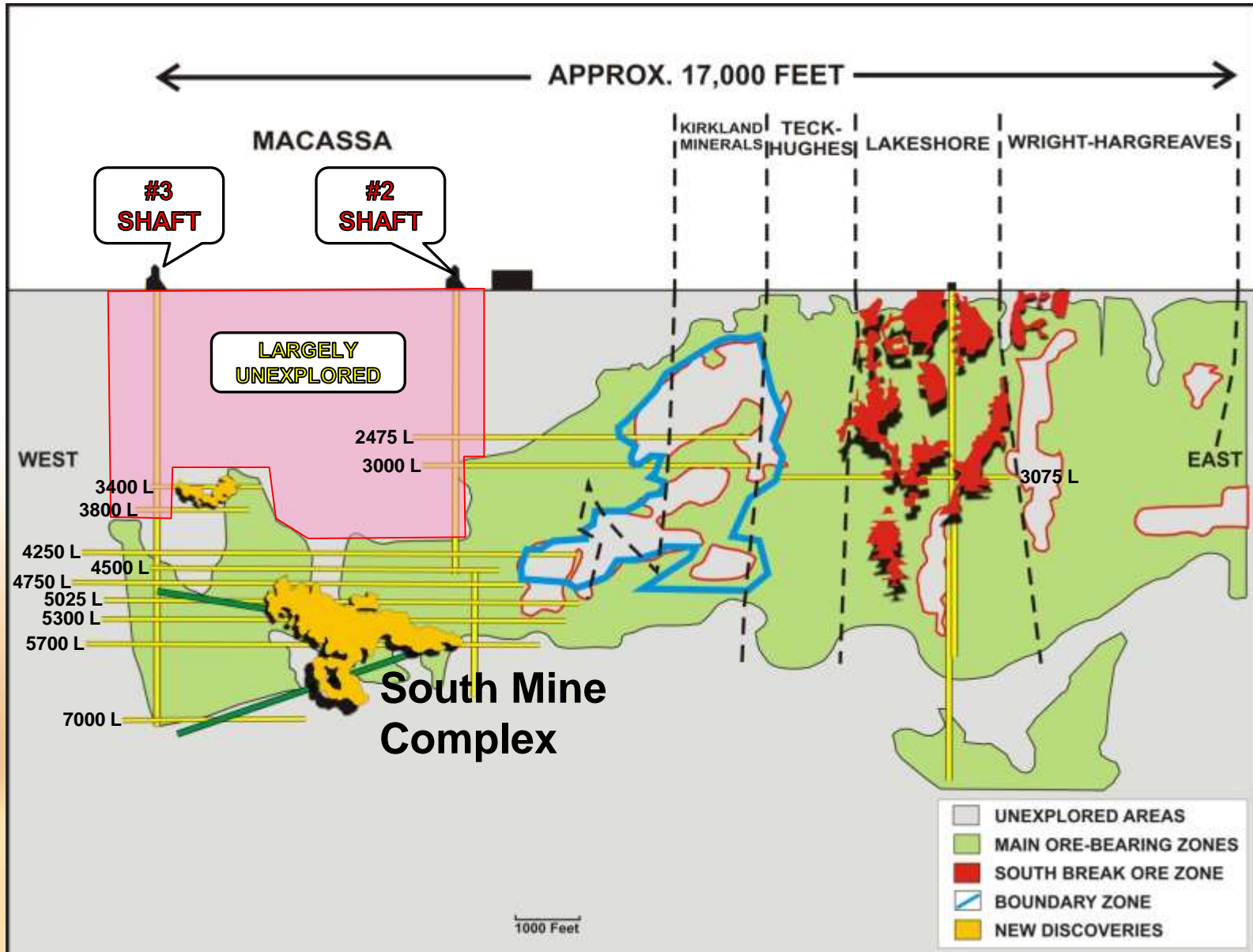
- Hoisting capacity increase to 2,300 tpd late FY 2012, matching future milling capacity of 1,600 tpd
- SMC production ramp & related facilities complete late FY 2012

## Reserve and Resource Development - FY 2012 Exploration budget set at \$15.8 M

- Increase to 15 diamond drills – 12 underground at Macassa Mine and 3 on surface on east side of property testing both shallow and deep targets

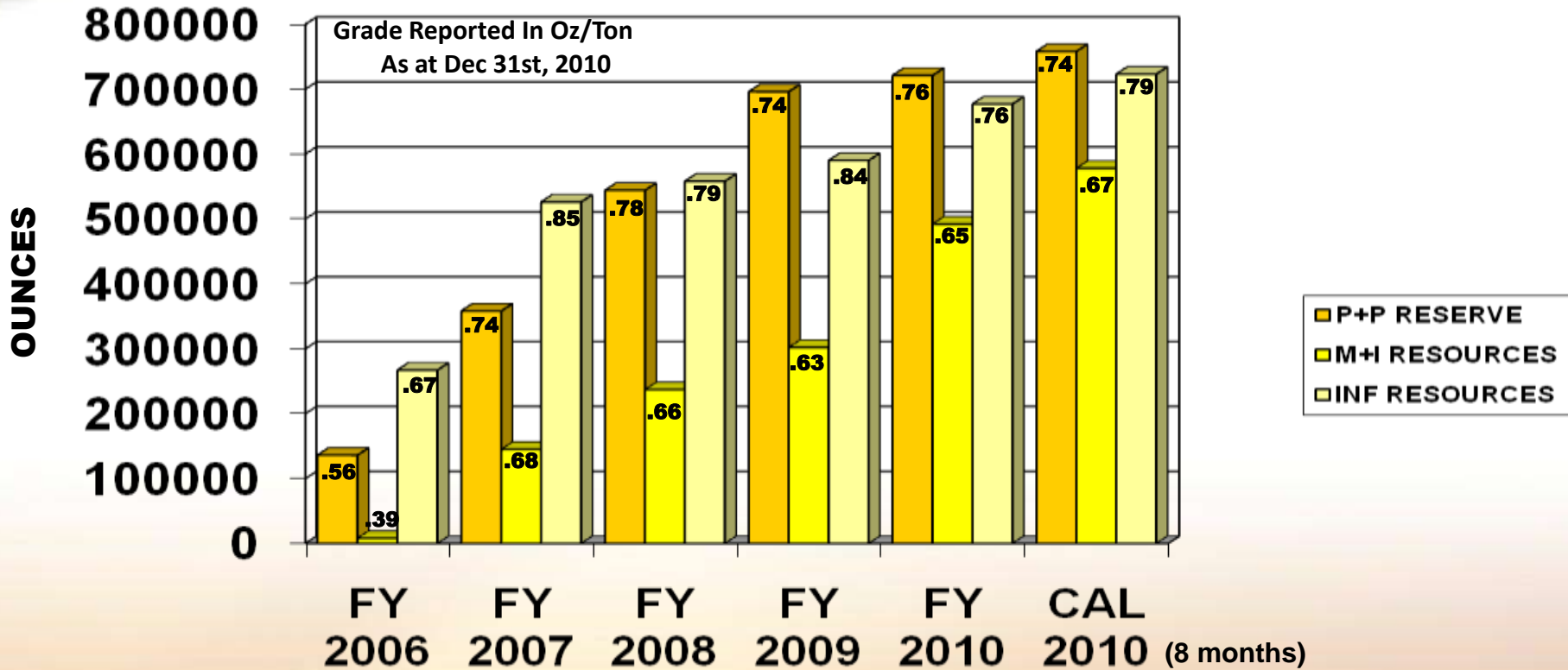


# Existing Infrastructure in KL Gold Camp





# South Mine Complex Reserve/Resources - Discovery Hole 90 Feet of 2.30 Ounces



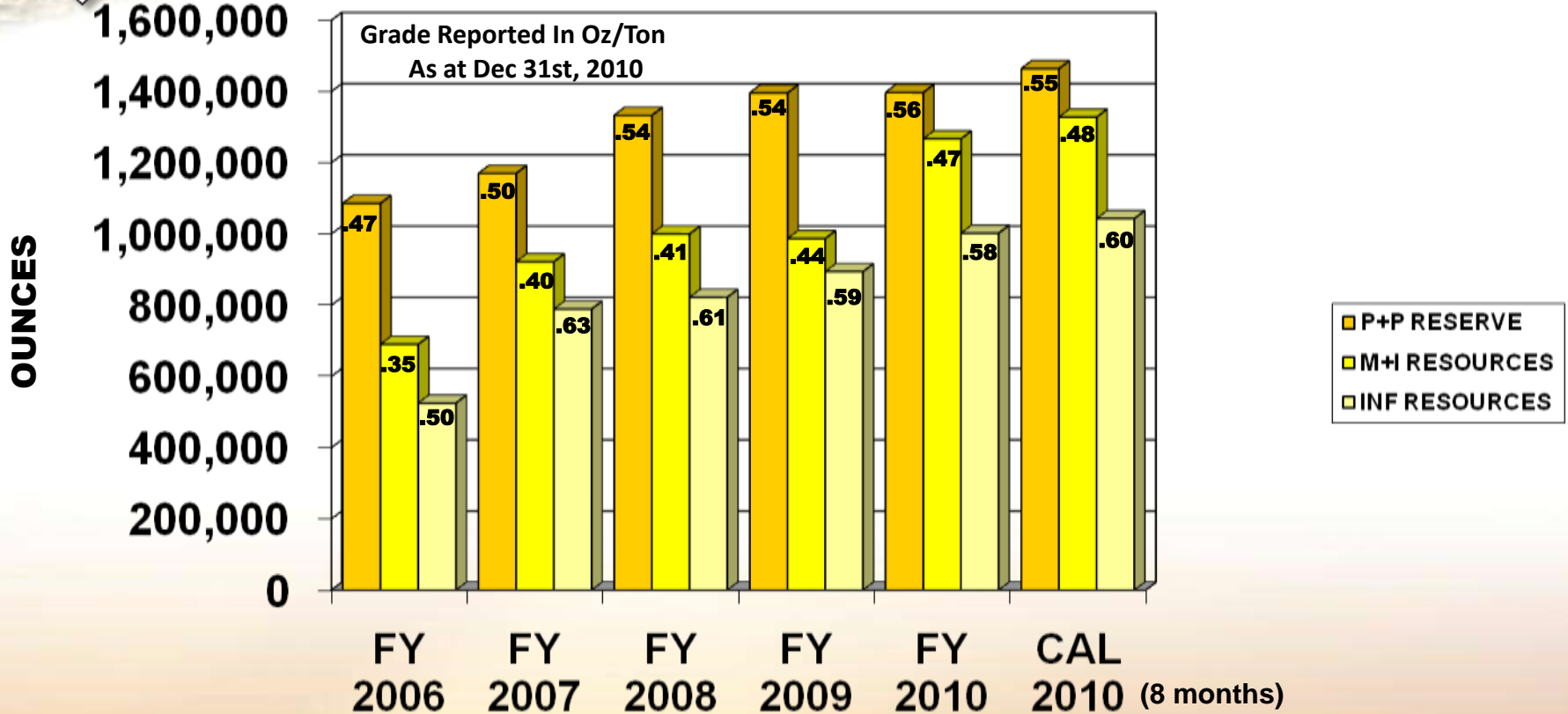
| Category (Cal 2010) | Tons    | Grade (ounces) | Grade (grams) | Ounces  |
|---------------------|---------|----------------|---------------|---------|
| Proven              | 171,000 | 0.65           | 22.3          | 111,000 |
| Probable            | 859,000 | 0.75           | 25.7          | 647,000 |
| Measured            | 7,000   | 0.36           | 12.3          | 2,000   |
| Indicated           | 857,000 | 0.67           | 23.0          | 576,000 |
| Inferred            | 911,000 | 0.79           | 27.1          | 723,000 |

See Kirkland Lake news release dated April 5<sup>th</sup>, 2011, a copy of which has been filed on SEDAR for further particulars. The contents of the above slide have been verified and approved by the Company's Chief Exploration Geologist, Stewart Carmichael, P. Geo. a "qualified person" for the purpose of National Instrument 43-101. Standards of Disclosure for Mineral projects.





# Mine Wide Reserve/Resource Growth

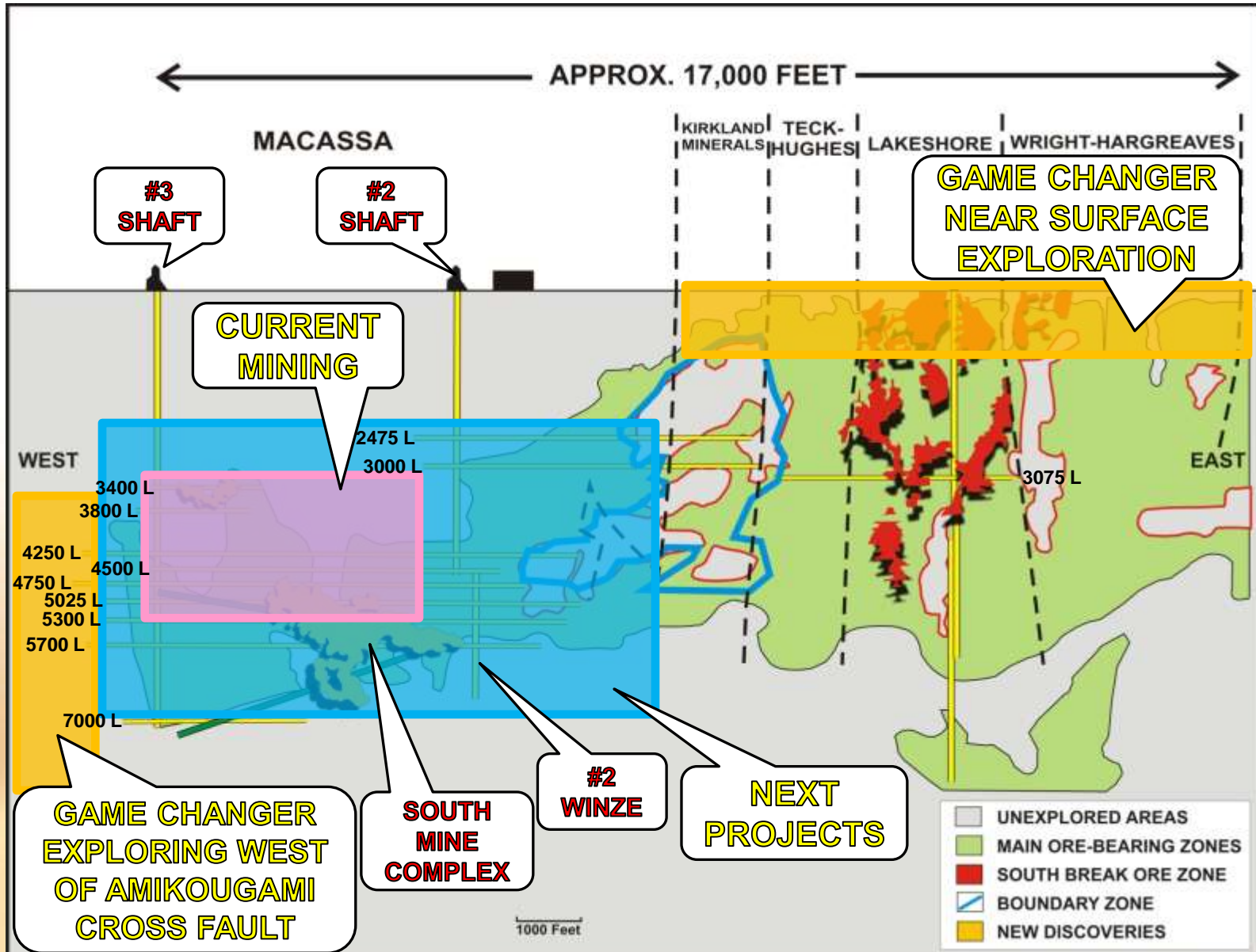


| Category (Cal 2010) | Tons      | Grade (ounces) | Grade (grams) | Ounces    |
|---------------------|-----------|----------------|---------------|-----------|
| Proven              | 1,187,000 | 0.45           | 15.4          | 532,000   |
| Probable            | 1,460,000 | 0.64           | 21.9          | 932,000   |
| Measured            | 992,000   | 0.39           | 13.4          | 391,000   |
| Indicated           | 1,768,000 | 0.53           | 18.2          | 937,000   |
| Inferred            | 1,740,000 | 0.60           | 20.6          | 1,043,000 |

See Kirkland Lake news release dated April 5<sup>th</sup>, 2011, a copy of which has been filed on SEDAR for further particulars. The contents of the above slide have been verified and approved by the Company's Chief Exploration Geologist, Stewart Carmichael, P. Geo. a "qualified person" for the purpose of National Instrument 43-101. Standards of Disclosure for Mineral projects.



# KL Gold Camp Expansion Strategy





# Gold Production Expansion Long Reserve and Resource Life

## Production Growth Plans

### Current

- Revised phase II ore tonnage increased to 1,600 tpd, yearly gold production 210,000 – 250,000 ounces per year in FY 2014
- FY 2013 (Beginning May 1, 2012): Ore tonnage increase from 700 tpd to 1,400 tpd to match current mill capacity, yearly gold production 180,000 – 200,000 ounces per year

### Declining Cash Costs Per Ounce – \$700 – \$550

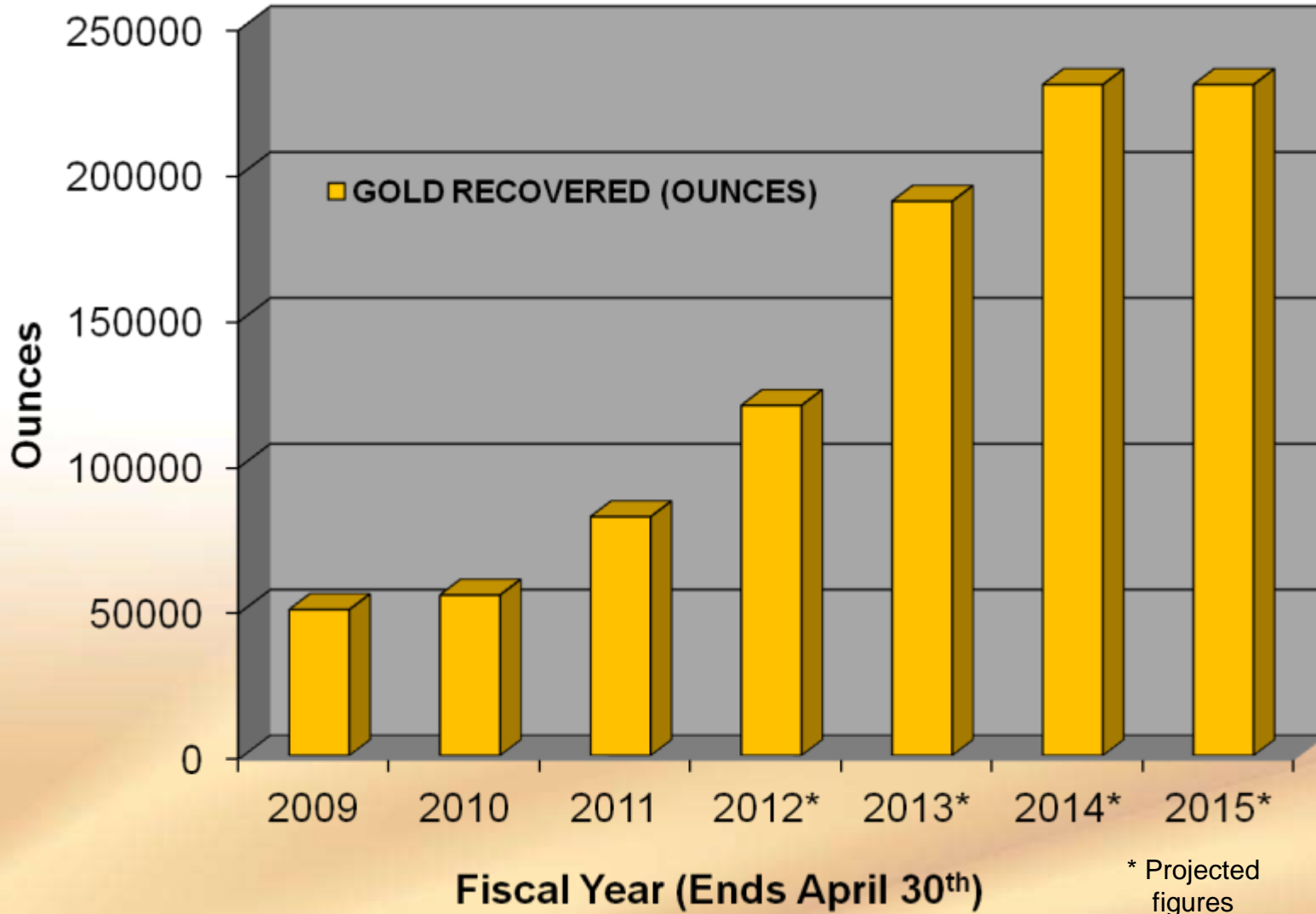
- Increased operating tonnage from 800 to 1,600 tpd lowers cost per ton - target \$250 - \$225
- Grade elevates with increased production ratio from the higher grade South Mine Complex

### Under Evaluation

- Build daily ore tonnage to 2,000+ tpd, yearly gold production 300,000+ ounces of gold per year, further reducing cost per ton and ounce
- Future reconfiguration of hoisting capacity from 2,300 tpd to 3,200 tpd supports Phase III production levels



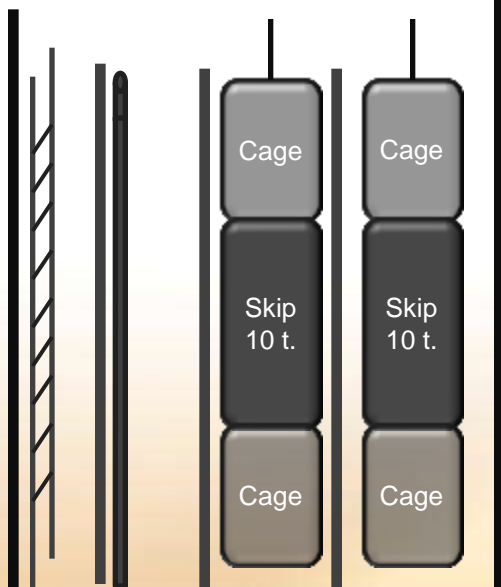
# Gold Production Forecasts Includes Revised Phase II Only





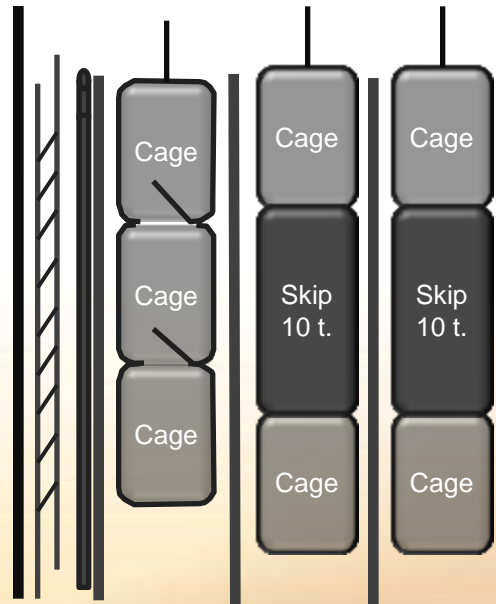
# 300% Increase to Hoisting Capacity Utilizing Existing Shaft

## ACTUAL CONFIGURATION



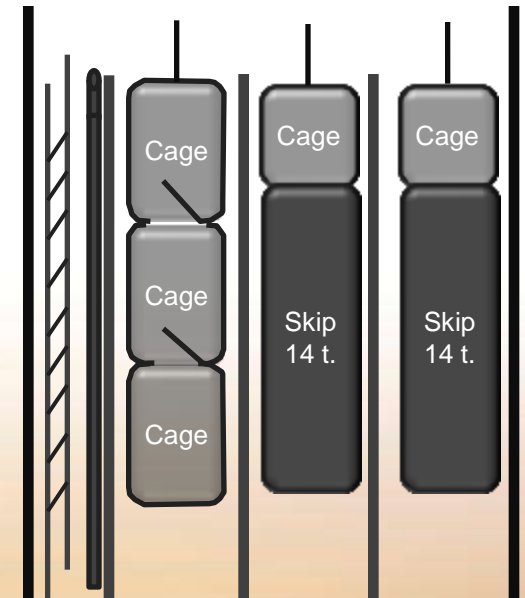
- 8 hours/day
  - 13 skips/hour
  - 10 tons/skip
- 1,000 tpd

## PHASE II CONFIGURATION



- 18 hours/day
  - 13 skips/hour
  - 10 tons/skip
- 2,300 tpd

## POSSIBLE FUTURE CONFIGURATION



- 18 hours/day
  - 13 skips/hour
  - 14 tons/skip
- 3,200 tpd

\*Options to increase skipping capacity to up to 4,200 tpd currently being studied



# Production Expansion Programs Drives to Support 60 Working Faces

## NEW SECOND POWER TRANSFORMER

- DOUBLES POWER
- ADDS SUPPLY REDUNDANCY

## NEW COMPRESSOR COOLING

- NEWS RADS ALLOW FOR FUTURE HEAT RECOVERY

## NEW SERVICE HOIST

- FREES UP SKIPPING HOIST; DOUBLES SKIPPING CAPACITY
- AUTOMATION UPGRADES TO SKIPPING HOIST AND POCKETS & LARGER SKIPS WILL TRIPLE SKIPPING CAPACITY

## DRY/OFFICE EXPANSION

- GIVES SITE CAPACITY FOR 1100 PEOPLE
- ADDS 6,000 SQ. FEET OF OFFICE SPACE

## NEW #2 SHAFT POWER LINE

- 5 KILOVOLT LINE ALLOWS FOR BACKUP FOR #2 OR #3 SHAFT

## NEW COMPRESSORS

- HIGH EFFICIENCY INCREASES AIR PRODUCTION BY 275%

## UPGRADE TO SHAFT SERVICES

- INCREASES COMPRESSED AIR & ADDITIONAL 4160V POWER DELIVERY TO UNDERGROUND WORKINGS



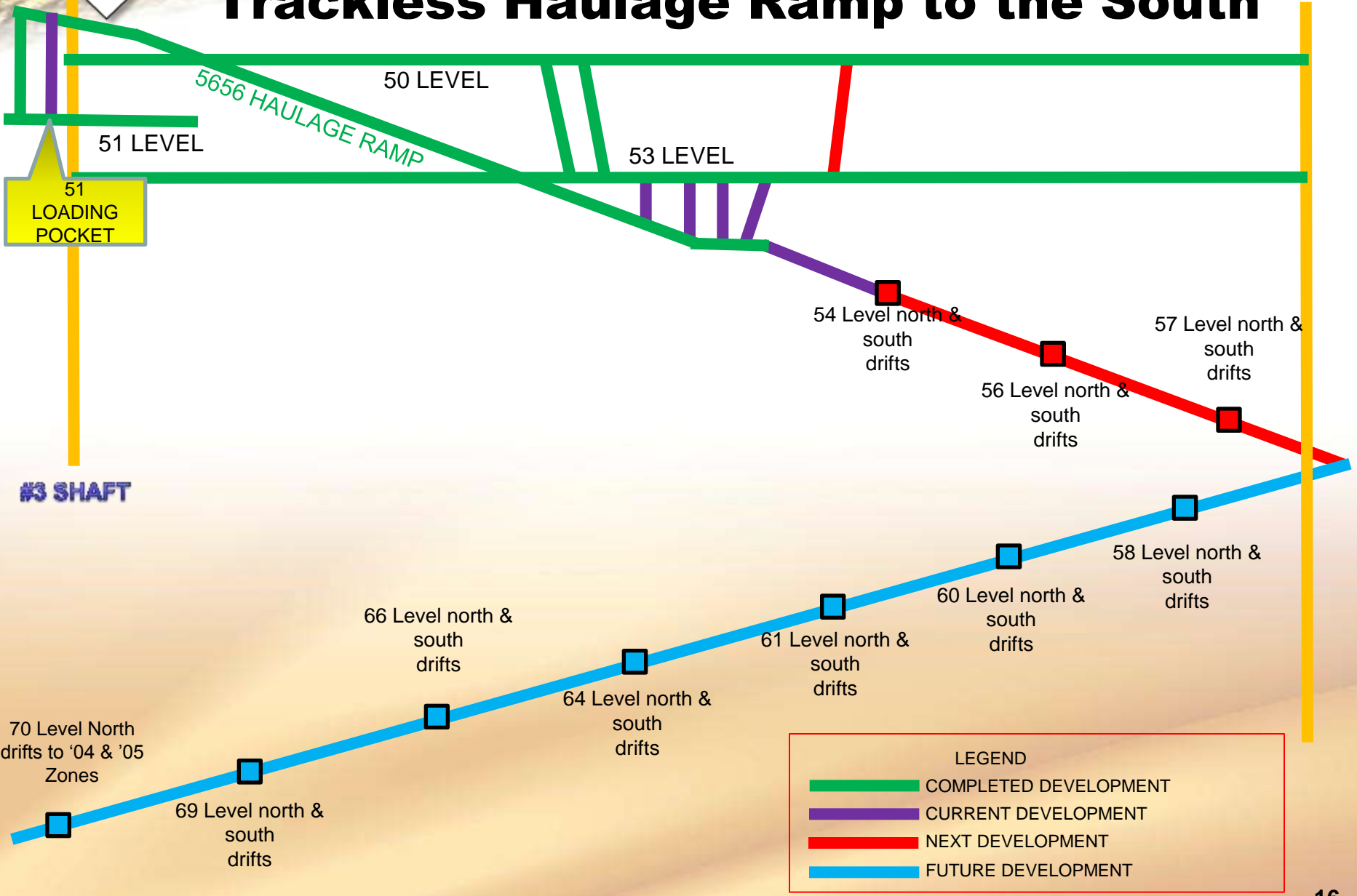
# **Mill Capacity 1,500+ TPD**

## **96 - 97% Milling Recovery Rate**



# New Production Vision Trackless Haulage Ramp to the South

#2 WINZE



**LEGEND**

- COMPLETED DEVELOPMENT
- CURRENT DEVELOPMENT
- NEXT DEVELOPMENT
- FUTURE DEVELOPMENT

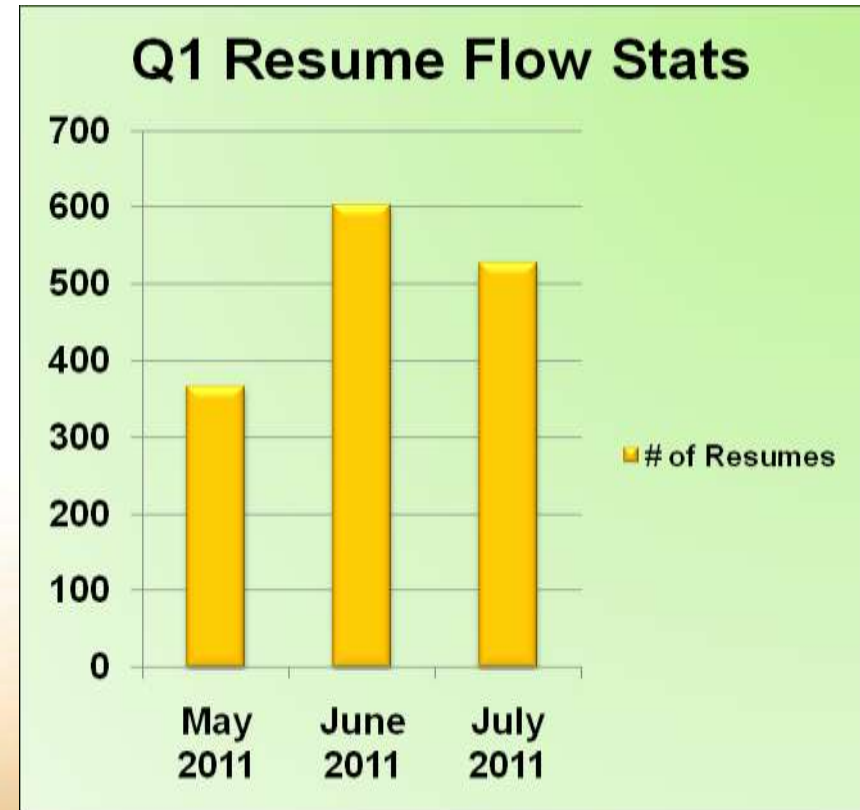




# Recruitment, Training, and Hiring

## Employee Retention Programs:

- Competitive wage and bonus structure
- 7 day on, 7 day off work schedule
- Company family doctor
- Mine located in the town of Kirkland Lake
- Housing initiatives
- 2011 retention rate of 96%
- Recipient of the 2010 Excellence in Safety Award for lowest accident frequency for Underground Mines with over 250 employees in the Province of Ontario



## Hiring and Training

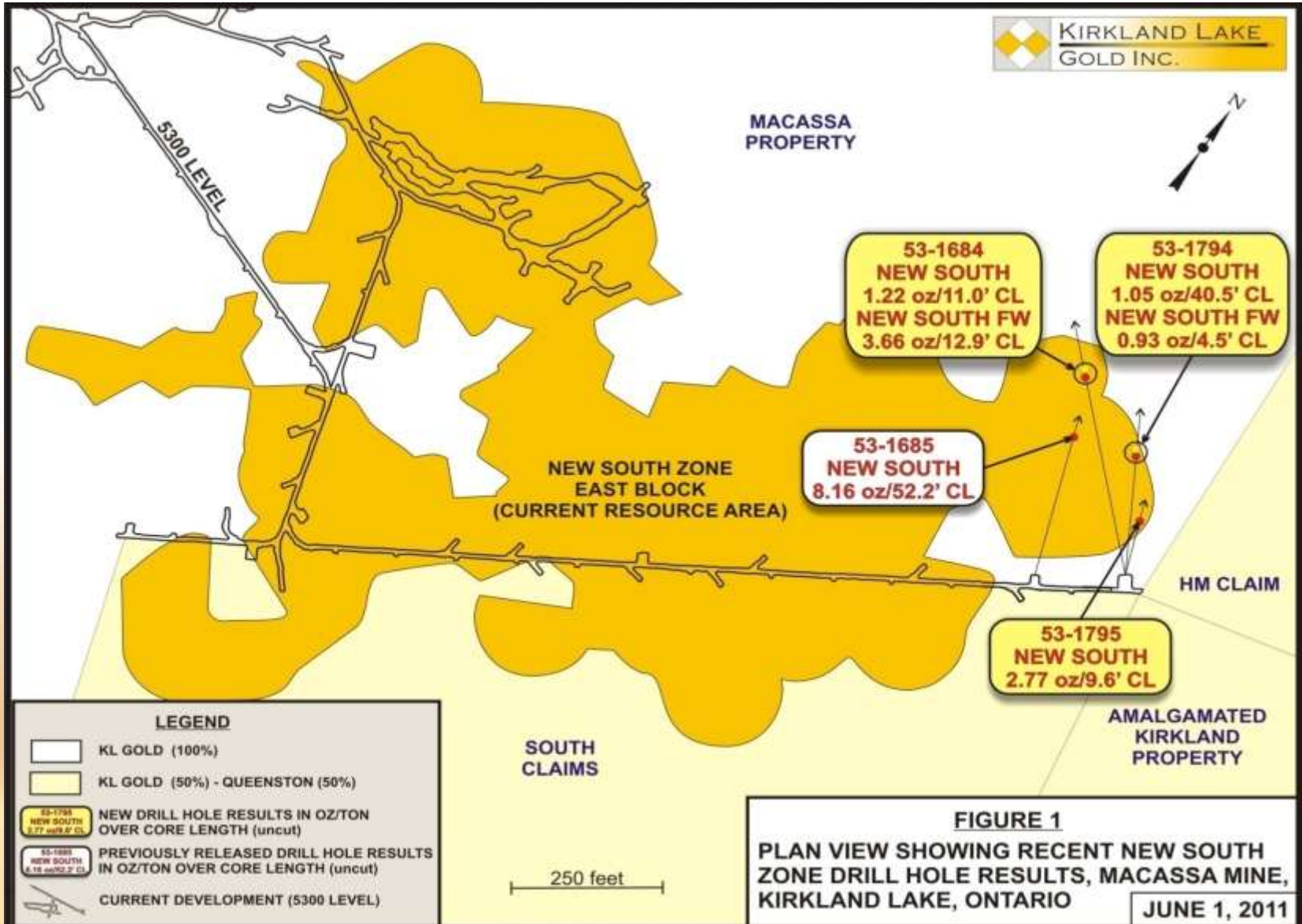
- 237 people hired in FY 2011
- Total number of employees as of July 2011 is 765 – up from 250 in 2008
- Training Partnership with Northern College to train persons in the mining industry



# **Transition to IFRS Finance and Calendar Year-End**

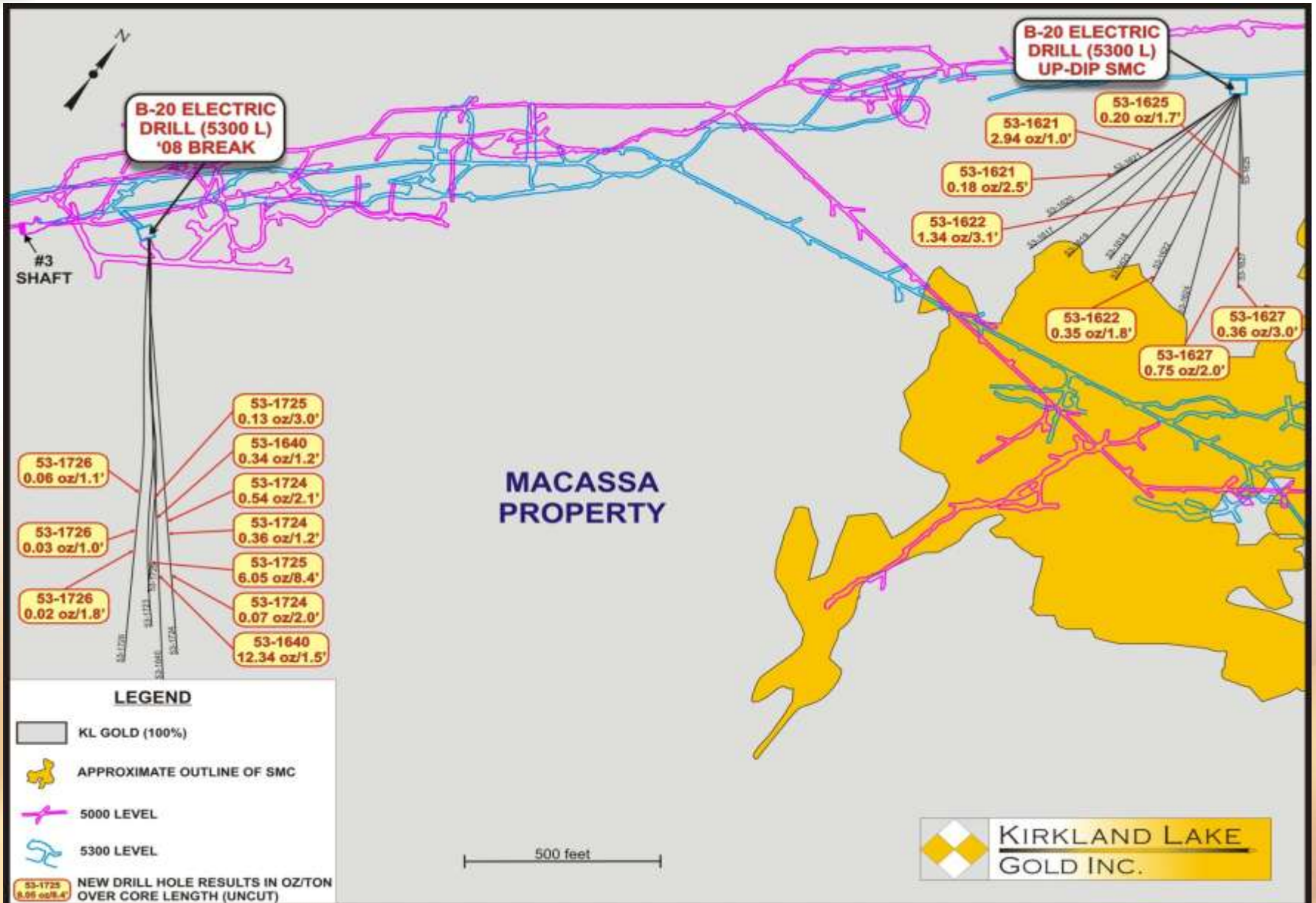
- **Undertaking IFRS transition commencing Q1 2012 financials - due for release October 5, 2011**
  - A \$12-15m deferred tax asset will appear on the Balance Sheet in our Q1 2012 financial statements
- **KL Gold will be changing to a December year end in 2012; reporting periods will be as follows:**
  - Year to April 2012
  - 8 months to December 2012
- **At current gold price and anticipated production expansion, the company will have exhausted all brought forward losses (approximately \$28 million CAD) and be liable to tax at approximately 27.5% by December 2012**

# Core Exploration Strategy: Go From Known to Unknown





# Step Out Holes to the West Extend Mineralization 2,000 Feet?





# Growth Expansion Summary

## **High Grade Deposit:**

- Proven + Probable: 1,464,000 oz @ 0.55 opt or 18.7 gpt
- Measured + Indicated: 1,328,000 oz @ 0.46 opt or 15.8 gpt
- Inferred: 1,043,000 oz @ 0.60 opt or 20.2 gpt

## **Excellent Exploration Potential in Prolific Historic Camp:**

- New high grade discovery in different geologic setting, gold in sulphides
- FY 2012 drilling budget doubled to \$15.8 million
- 294,000 feet of drilling – SMC, step out programs west of SMC, and new targets on surface (3 drills)

## **Growing Yearly Gold Production, Declining Cash Costs:**

- Build production to 210,000 – 250,000 ounces by start of FY 2014 and onwards
- FY 2012 transition year, forecast to range 110,000 – 130,000 ounces
- Cash costs per ton will decrease through economies of scale
- Cash cost per ounce decreased by increased production ratio from high grade SMC
- Low expansion capex due to use of existing infrastructure (Approximately \$75 M CAD)

## **Politically Safe Jurisdiction, Canada:**

- 13,110 acres of property holdings in 100% owned ground to explore and develop



# **Kirkland Lake Gold: Contact**

**Brian Hinchcliffe**  
**President, CEO and Director**  
**705-567-5208**

**[bhinchcliffe@klgold.com](mailto:bhinchcliffe@klgold.com)**

**John Thomson**  
**CFO and Director**  
**705-567-5208**

**[jthomson@klgold.com](mailto:jthomson@klgold.com)**

**Lindsay Carpenter**  
**Director of Investor Relations**  
**416-572-2116**

**[lcarpenter@klgold.com](mailto:lcarpenter@klgold.com)**