

Kirkland Lake Gold Announces Fiscal 2015 Operations Update, Mine Plan, and Three-Year Production Guidance

June 24, 2014 (Source: Marketwired) – **Kirkland Lake Gold Inc.** (the “Company”) (TSX:KGI) (AIM:KGI), an operating and exploration gold mining company, is pleased to announce an update on operations and production activities for the beginning of its fiscal year 2015 (began May 1, 2014) and a summary of its three-year mine production plan. The mine plan is based on a CAD\$1,350 gold price. All figures in the release are stated in Canadian dollars.

OPERATIONS AND PRODUCTION UPDATE FOR FISCAL YEAR 2015

- Year to date production (May 1 – June 20, or 51 days) totalled 52,987 tons at a head grade of 0.42 ounces per ton (“opt”), or 14.4 grams per tonne (“gpt”) to produce 21,426 ounces.
- Robust gold pour on June 19, 2014 of 4,862 fine ounces based on one week’s production.
- A new mining horizon is being developed on the 5,400 foot level of the South Mine Complex (“SMC”) that saw the first stope, 5417, come online in mid-May. This now gives the Company three mining horizons in the SMC. Proven and probable reserve blocks from this level up to the 5,300 foot level include 481,000 tons at 0.57 opt (19.5 gpt) containing 274,000 ounces; while proven and probable reserves from this level down to 5,600 foot level include 299,000 tons at 0.70 (24.0 gpt) opt containing 209,000 ounces. The Company is planning to mine 5 stopes from the 5,400 foot level in fiscal 2015.
- The Company is also developing the main SMC decline ramp

as part of its sustaining capital budget in fiscal year 2015 in order to mine on the 5,600 foot level and below where reserve grades are even higher and will be incorporated into the Company's fiscal 2016 mine plan. Please refer to the summary of reserves and resources table later in the press release.

- On May 12 following a 7 day shutdown the Company commissioned the new ball mill with ore, running the mill on a new 5 and 2 day schedule with a daily throughput averaging 1700 tons per day ("tpd") run of mine ore at better than 96% recovery. At its peak, the mill ran at 2,000 tpd.
- The mine is currently producing at a rate of 1,050 tpd of ore. The Company will take delivery of two new one boom, T1 D, electric hydraulic jumbos in the second half of the calendar year. Productivity improvements realized with this new equipment are expected to increase average daily ore tonnage to 1,150 – 1,250 tpd.
- The Company remains on track to achieve its fiscal 2015 guidance of 140,000 to 155,000 ounces of gold produced.
- The Company currently has 5,400 tons of ore stockpiled in front of the mill.

HIGHLIGHTS OF THE MINE PLAN AND THREE YEAR PRODUCTION GUIDANCE

- Kirkland Lake Gold's reserve and resource base is as follows:
 - Proven and probable reserves: 2,784,000 tons at an average grade of 0.50 opt (17.1 gpt) for 1,385,000 ounces
 - Measured and indicated resources: 4,152,000 tons at an average grade of 0.49 opt (16.8 gpt) for 2,055,000 ounces
 - Inferred resources of 2,092,000 tons at an average grade of 0.54 opt (18.5 gpt) for 1,133,000 ounces
- Total mine life of 14 years.
- Average gold production for the next three year

totalling:

- FY 2015: 140,000 – 155,000 ounces per year at an average grade of 0.37 opt (12.7 gpt)
- FY 2016: 150,000 – 170,000 ounces per year at an average grade of 0.39 opt (13.4 gpt)
- FY 2017: 160,000 – 180,000 ounces per year at an average grade of 0.41 opt (14.0 gpt)
- Fiscal 2015 operating cost guidance of CAD\$800 – \$850 per ounce.
- Fiscal 2015 AISC of CAD\$1,250 – \$1,350 per ounce.
- Fiscal 2015 total sustaining, property, plant, and equipment expenditures of \$58,000,000
- Fiscal 2015 revenue of approximately CAD\$200,000,000; Cash flow from operations of between CAD\$ 50,000,000 – \$60,000,000
- Fiscal 2015 free cash flow generation of between CAD\$15,000,000 – \$20,000,000
- The current three-year mine plan calls for daily ore tonnages to remain steady at 1,150 – 1,250 tons per day. Ounces will increase due to higher grades coming from the SMC as the 5400, 5600 and 5900 levels are opened up and mined over the ensuing years. Therefore, operating costs per ounce are expected to continue to decrease in fiscal years 2016 and 2017 with operating costs per ton remaining relatively flat. The resultant outcome will be to increase profitability and maximize free cash flow. Over the next three-years, Management's target is to lower AISC to CAD\$1,190 – \$1,250 per ounce.

Summary of SMC Reserves and Resources by Level

LEVEL	Proven + Probable (TONS)	Proven + Probable (GRADE)	Proven + Probable (OUNCES)	Measured + Indicated (TONS)	Measured + Indicated (GRADE)	Measured + Indicated (OUNCES)

5025	89,000	0.44 opt (15.1 gpt)	39,000	57,000	0.39 opt (13.3 gpt)	22,000
5300	620,000	0.47 opt (16.1 gpt)	290,000	220,000	0.39 opt (13.3 gpt)	86,000
5400	481,000	0.57 opt (19.5 gpt)	274,000	179,000	0.41 opt (14.0 gpt)	71,000
5600	299,000	0.70 opt (24.0 gpt)	209,000	222,000	0.55 opt (18.8 gpt)	122,000
5700 – 6600				768,000	0.91 opt (31.1 gpt)	703,000

Mr. George Ogilvie, President and CEO commented, “The current fiscal year is off to a strong start with operations thriving under the new strategy of focusing on quality tons to significantly improve head grades. The year-to-date head grade is 0.42 opt (14.4 gpt) which represents a 30% increase over and above the 0.32 opt (10.9 gpt) achieved in fiscal 2013. This approach will continue over the next three years, where the plan calls for keeping daily ore tons constant in order to keep labour and other mining costs stagnant, with an increase in produced ounces coming from higher grades. Grades in the SMC get significantly richer at depth, where development of additional high-grade areas (incorporated in the fiscal years 2015, 2016 and 2017 mine plans) is underway. It’s pleasing to see we are now mining on a third mining horizon, 5400L, in the SMC where reserve grades in the block up to the 5,300L are above 0.55 opt (18.8 gpt). Costs are trending down due by previously announced cost-saving measures while others recently implemented (e.g. change in mill schedule) will start to be realized from June. In addition we should see further productivity improvements in the second half of the calendar

year with the arrival of two new one boom, T1 D, electric hydraulic jumbos.”

“The Company expects to be free cash flow positive at current gold prices in the next 2 – 3 months. The ounces forecast in fiscal years 2016 and 2017 do not take into account any mining from the near surface mineralization. Our recent flow through financing will allow us to accelerate the exploration drilling of the near surface mineralization; which includes a resource expansion and in-fill drilling to define a reserve. In house a preliminary economic assessment is being undertaken to help define the robustness of the near surface mineralization economics. The study is expected to be complete by the end of the calendar year,” concluded Mr. Ogilvie.

About the Company

Kirkland Lake Gold’s corporate goal is to create a self-sustaining and long-lived intermediate gold mining company based in the historic Kirkland Lake Gold Camp. The Company plans to do this by mining to the reserve grade, generating profits and free cash flow for the shareholders. The Company will also look to take advantage of its increased infrastructure capacity in the appropriate gold price environment. At the same time, the Company is committed to maintaining a significant exploration program aimed at developing and maintaining a property wide reserve and resource base sufficient to sustain a mine life of more than ten years. Over the last several years the Company has invested significant capital to improve the infrastructure of the business including upgrading the production hoist, skips, mill, underground mobile equipment and capital development. From initial discovery to present day there have been over 24 million ounces of gold mined from the Kirkland Lake camp while the current reserve and resource provides for more than 10 years of mining with significant exploration upside.

The reserve estimates and technical disclosure have been

reviewed, verified (including sampling, analytical and test data) and compiled by the Company's geological staff (which includes a 'qualified person', Stewart Carmichael P.Geo., the Company's Chief Exploration Geologist, for the purpose of National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators). Mr. Carmichael also supervised the preparation of the information that forms the basis of the technical disclosure in this release.

Neither the Toronto Stock Exchange nor the AIM Market of the London Stock Exchange has reviewed and neither accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward Looking Statements

This Press Release contains statements which constitute "forward-looking statements", including statements regarding the plans, intentions, beliefs and current expectations of the Company with respect to the future business activities and operating performance of the Company. The words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, are intended to identify such forward-looking statements. Forward-looking statements used in this Press Release include, but may not be limited to, statements regarding the Company's production capacity and its exploration program. Investors are cautioned that forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made such as, without limitation, opinion, assumptions and estimates of management regarding the Company's business, its ability to increase its production capacity and decrease its production cost. Such opinions, assumptions and estimates, are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to

differ materially from those projected in the forward-looking statements.

These factors include the Company's expectations in connection with the projects and exploration programs being met, the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating gold prices, currency exchange rates (such as the Canadian dollar versus the United States Dollar), possible variations in ore grade or recovery rates, changes in accounting policies, changes in the Company's corporate mineral resources, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, risks related to joint venture operations, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, and limitations on insurance, as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis and Annual Information Form for the year ended April 30, 2013 and the Company's Management's Discussion and Analysis for the interim period ended January 31, 2014 filed with the securities regulatory authorities in certain provinces of Canada and available at 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 to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as otherwise required by applicable law.

Glossary of Terms

National Instrument 43-101 Definitions of Resources and Reserves

The Reserve and Resource estimation classifications as prescribed in National Instrument 43-101 are given here for clarity.

Mineral Resource

Mineral Resources are sub-divided into 3 categories depending on the geological confidence. The highest level with the most confidence is the 'Measured' category. The next level of confidence is the 'Indicated' category and the lowest level, or the resource with the least confidence, is the 'Inferred' category.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling, gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral

Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineral Reserve

Mineral Reserves are sub-divided into 2 categories. The highest level of Reserves or the level with the most confidence is the 'Proven' category and the lower level of confidence of the Reserves is the 'Probable' category. Reserves are distinguished from resources as all of the technical and economic parameters have been applied and the estimated grade and tonnage of the resources should closely approximate the actual results of mining. The guidelines state "Minerals Reserves are inclusive of the diluting material that

will be mined in conjunction with the Mineral Reserve and delivered to the treatment plant or equivalent facility.” The guidelines also state that, “The term ‘Mineral Reserve’ need not necessarily signify that extraction facilities are in place or operative or that all government approvals have been received. It does signify that there are reasonable expectations of such approvals.”

Probable Mineral Reserve

A ‘Probable Mineral Reserve’ is the economically mineable part of an Indicated and in some circumstances a Measured Mineral Resource demonstrated by a least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Proven Mineral Reserve

A ‘Proven Mineral Reserve’ is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

A more detailed list of technical terms can be found at <http://klgold.com/cmsAssets/docs/pdfs/2013/2013%20Annual%20Information%20Form.pdf>