

Kirkland Lake Gold Inc. : December 31st Reserve & Resources Update; Near Surface Discoveries Present Potential New Mining Front

April 28, 2014 (Source: Marketwired) – **Kirkland Lake Gold Inc.** (the “Company”) (TSX:KGI)(AIM:KGI) presents its annual gold reserve and resource estimates (as at December 31, 2013) for its operations in Kirkland Lake, Ontario on both the historic Main Break and the high grade South Mine Complex (SMC) discovered in 2005 that are currently being mined, and recently discovered near surface mineralization.

During 2013, the Company concentrated its exploration efforts on expanding the SMC on the properties previously held under a joint venture with Queenston Mining Inc. and continued to explore for potential near surface resources by surface exploration. In 2013, the Company completed 114,700 feet of underground exploration drilling and 166,500 feet of surface exploration drilling. This represents a planned 27% decrease in exploration drilling compared to 2012; the decrease was part of a broader cost saving initiative implemented by the Company in 2013. An additional 118,600 feet of underground production drilling was completed during this period as well.

Mr. George Ogilvie, Chief Executive Officer commented, “The highlight of this year’s reserve update is a first-time resource calculation on near surface ounces, defined as ounces above 1,000-foot depth. This program was successful in identifying an indicated resource of 104,000 ounces contained in 310,000 tons at a grade of 0.34 opt and an inferred resource of 48,000 ounces contained in 131,000 tons at a grade

of 0.36 opt. This potentially adds a new distinct area of mining for the Company which would be accessible from a new decline, produced at lower unit costs, and developed in the near-to-medium term. Current mill capacity of 2,200 tons per day would support production from this area without additional capital or expansion to the mill. Most of the exploration budget for next fiscal year will be allocated to the near-surface area; which will allow the resource to be expanded while in-fill drilling will also occur currently so that a mineable reserve can be estimated in the near future. Any mineable reserve would then act as the basis for a future near surface mine plan.”

Exploration Manager Stewart Carmichael commented, “Our exploration over the past year has succeeded in replacing ounces mined during the same period as well as increasing resources both in the SMC and the new surface discovery along the Amalgamated Trend. The exploration department will continue to focus on both expanding the SMC east, and down-dip from the -5300 foot level where gold grades are higher and the mineralization remains open at depth and to the east. We plan to add one additional surface drill rig in fiscal 2015 to the one surface drill rig currently operating to focus on infill drilling on the near surface discoveries.”

Highlights of the Current Reserve and Resource Estimates

The highlights of the reserve and resource estimates, as at December 31, 2013, include:

- The Company achieved its goal for the past calendar year of replacing SMC and Main Break reserves while at the same time expanding the Company’s resources. Proven and probable reserves in the SMC showed a minor increase of 0.5% after 78,074 ounces were recovered from the SMC. Mine-wide reserves decreased by 5% after a total of 120,004 ounces (78,074 ounces from the SMC, 41,931 ounces from Main Break) were recovered from January 2013

to December 2013. Most of the decreases in the mine-wide reserves were due to the reclassification of approximately 70,000 ounces in the proven and probable category to measured and indicated resources from the deeper levels along the '04 Break at the Macassa mine.

- SMC resource increases were due to successful exploration in extending the SMC east on ground previously held as a joint venture with Queenston Mining Inc. Indicated resources over the past year increased by 34.5% and inferred resources increased 30.8%. The strike length of the SMC is now in excess of 4,000 feet and remains open in this direction as well as down dip. The previous South Claims Joint Venture properties, including near surface mineralization, now includes an indicated resource of 386,000 tons at a grade of 0.82 ounces of gold per ton (opt) for 316,000 ounces and an inferred resource of 446,000 tons at a grade of 0.77 opt for 344,000 ounces.
- The Company is very encouraged by the near surface (surface to -1,000 feet) exploration results on the ABM and Amalgamated Trend as it may represent a second mining front, which would be accessible by a new decline. Current resources include an indicated resource of 310,000 tons at grade of 0.34 opt (104,000 ounces) and an inferred resource of 131,000 tons at a grade of 0.36 opt (48,000 ounces). As mining and development costs are expected to be less than at the Macassa mine, a resource cutoff grade of 0.12 opt was used for the resource calculation. All individual assays are cut to 3.5 opt (cutting factor).
- The ABM and Amalgamated Trend are mineralized zones located 2,000 to 4,000 feet south of the historic Main Break and are unrelated to the Main Break. Potential mining of these zones would require driving a new decline to access the mineralization as there is no infrastructure at either #2 or #3 shaft, such as drifting or an ore pass waste pass system, capable of

supporting near surface mining.

- The Company has increased the underground reserve cutoff grade from 0.18 opt to 0.22 opt. This has resulted in an approximate decrease of 3% of the reserve tons, but only a 2% decrease in reserve ounces.

SOUTH MINE COMPLEX RESERVES & RESOURCES

	As at December 31, 2012			As at December 31, 2013			% Change (in total ounces)
	Tons (Tonnes)	Grade opt (g/t)	Ounces	Tons (Tonnes)	Grade opt (g/t)	Ounces	
Reserves:							
Proven	321,000 (291,000)	0.43 (14.7)	139,000	328,000 (298,000)	0.45 (15.4)	147,000	+0.5%
Probable	1,220,000 (1,106,000)	0.55 (18.9)	669,000	1,164,000 (1,056,000)	0.57 (19.5)	665,000	
Resources:							
Measured	23,000 (21,000)	0.25 (8.6)	6,000	24,000 (22,000)	0.30 (10.3)	7,000	+4.5%
Indicated	1,435,000 (1,302,000)	0.67 (23.0)	962,000	1,440,000 (1,306,000)	0.70 (24.0)	1,005,000	
Inferred	1,223,000 (1,110,000)	0.67 (23.0)	824,000	1,205,000 (1,093,000)	0.67 (23.0)	808,000	-2%
Due to rounding there may be some small discrepancies in the numbers.							

South Claims

(Previous Joint Venture With Queenston Mining Inc.)

	As at December 31, 2012 (Company's wholly owned interest in South Claims)			As at December 31, 2013 (Company's wholly owned interest in South Claims)			% Change (in total ounces)
	Tons (Tonnes)	Grade opt (g/t)	Ounces	Tons (Tonnes)	Grade opt (g/t)	Ounces	
Reserves:							
Proven	—	—	—	—	—	—	n/a
Probable	—	—	—	—	—	—	

Resources:							
Measured	–	–	–	–	–	–	
Indicated	219,000 (199,000)	0.94 (32.2)	206,000	273,000 (248,000)	1.01 (34.6)	277,000	+34.5%
Inferred	285,000 (258,000)	0.89 (30.5)	253,000	408,000 (370,000)	0.81 (27.8)	331,000	+30.8%
Near Surface (above -1,000 foot elevation, Amalgamated Break Trend)							
Indicated Resource	–	–	–	113,000 (103,000)	0.35 (12.0)	39,000	nm
Inferred Resource	–	–	–	38,000 (34,000)	0.35 (12.0)	13,000	nm
Due to rounding there may be some small discrepancies in the numbers.							
The Company completed the acquisition of the remaining 50% interest in South Claims in August 2012.							

MACASSA NEAR SURFACE ZONES (ABOVE -1,000 FOOT ELEVATION)

	ABM ZONE			AMALGAMATED BREAK TREND		
	Tons (Tonnes)	Grade opt (g/t)	Ounces	Tons (Tonnes)	Grade opt (g/t)	Ounces
Resources:						
Measured	–	–	–	–	–	n/a
Indicated	122,000 (110,000)	0.25 (8.6)	30,000	188,000 (171,000)	0.40 (13.7)	74,000
Inferred	51,000 (46,000)	0.31 (10.6)	16,000	80,000 (73,000)	0.40 (13.7)	32,000
Due to rounding there may be some small discrepancies in the numbers.						
There are no reserves at this time. Resource cut off grade of 0.12 opt used. All assays cut to 3.5 opt.						
Includes Near Surface Indicated and Inferred Resources from Previous Queenston Joint Venture table above						

PROPERTY WIDE RESERVES & RESOURCES
(Including the South Mine Complex)

	As at December 31, 2012			As at December 31, 2013			% Change (in total ounces)
	Tons (Tonnes)	Grade opt (g/t)	Ounces	Tons (Tonnes)	Grade opt (g/t)	Ounces	
Reserves:							
Proven	1,361,000 (1,235,000)	0.39 (13.4)	530,000	941,000 (854,000)	0.43 (14.7)	401,000	-5%
Probable	1,869,000 (1,696,000)	0.49 (16.8)	924,000	1,843,000 (1,672,000)	0.53 (18.2)	984,000	
Resources:							
Measured	1,094,000 (992,000)	0.39 (13.4)	430,000	1,133,000 (1,028,000)	0.39 (13.4)	436,000	+9.8%
Indicated	2,719,000 (2,467,000)	0.53 (18.2)	1,441,000	3,019,000 (2,739,000)	0.54 (18.5)	1,619,000	
Inferred	2,238,000 (2,030,000)	0.52 (17.8)	1,157,000	2,092,000 (1,898,000)	0.54 (18.5)	1,133,000	-2.1%
Due to rounding there may be some small discrepancies in the numbers.							

The Company wholly owns the properties on which the above reserve and resource estimates have been calculated and are therefore shown as both gross and net attributable to Kirkland Lake Gold.

The above reserve and resource estimates have been audited and verified, and the technical disclosure in this press release has been approved, by the Company's independent reserve and resource engineer, Glenn R. Clark, P. Eng., of Glenn R. Clark & Associates Limited. He is a 'qualified person' under National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators. His report detailing the December 31, 2013 reserve and resource estimates will be filed on SEDAR (www.sedar.com) within 45 days of this press release. See 'Notes for Reserves and Resources' below for key assumptions, parameters and methods used to estimate the foregoing reserves and resources.

Exploration Plans for Fiscal 2015

Although reserves and resources for the Company will be based on a calendar year end, the exploration budget will continue

to be based on the Company's fiscal year end (April 30th). The Company's discretionary exploration budget for fiscal 2015 includes C\$1.9 million in underground exploration (approximately 58,000 feet drilling) utilizing two rigs and C\$3.2 million on surface exploration utilizing (approximately 144,000 feet drilling) utilizing two rigs. Surface exploration will continue to test near surface mineralization along the Amalgamated Trend. Underground exploration will continue to test the eastward extension and down dip component of the South Mine Complex.

Notes for Reserves and Resources:

1. The reserves and resources have been classified according to the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves: Definition and Guidelines (December 2005).
2. The reserves and resources are estimated using the polygonal method.
3. Resources do not include mineral reserves.
4. All intersections are calculated out to a 6.0 foot minimum horizontal mining width for structures dipping greater than 45 degrees. The minimum mining height for structures dipping less than 45 degrees is 9.0 feet.
5. Dilution is added to reserves at varying rates depending on mining method, and the width of the ore. The average dilution of the reserves at December 2013 is 24% at 0.02 opt, down from an average of 31.0% the previous year. Long-hole stopes are diluted by 50-100%, mostly 50%. Cut and fill stopes are diluted 15-50%.
6. All higher grades are cut to 3.50 opt. Based on a statistical analysis completed by Scott Wilson Roscoe Postle Associates Inc. in 2007, the Company has implemented various higher grade cutting factors for four zones in the South Mine Complex. These four zones are the New South Zone (7.2 oz gold/ton), Lower D North

(9.3 opt), Lower D North Footwall (4.8 opt), and the #7 and #7 HW Zones (6.4 opt). Cut-off grades of 0.18 opt and 0.22 opt are used for reserve and resource calculations, depending on the location, and economics of the block. Generally, a cut-off of 0.22 opt is required on a whole-block basis to achieve profitability and reserve classification. It is possible to have sub-blocks within an ore reserve block that assay less than any cut-off which have been incorporated for mining or geotechnical reasons. Ore blocks that grade between 0.18 opt and the cut-off of 0.22 opt have been classified as resource. The cut-off grade for near-surface resources (surface to -1,000 foot elevation) is 0.12 opt.

7. The area of influence of the proven and measured categories are 30 feet from development chip samples, probable and indicated categories are 50 feet of radius from a known sample point (drill holes) and inferred is another 50 feet of influence.
8. A 94% tonnage recovery is used. Continuity of the veins appears very good.
9. The assumptions used include CAD \$1,350.00 per ounce of gold.
10. The Company is not aware of any environmental, permitting, legal, title, taxation, socio-political, marketing or other issue that may materially affect its estimate of mineral resources.
11. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

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 potentially 10 years of mining with significant exploration upside.

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>

Macassa Mine Calculation Method:

Basic Information

All of the assay data is plotted on plans and sections to be used for zone interpretations.

The ore reserves are calculated on 20 scale (imperial measurements) longitudinal sections or plan views in the case of veins dipping less than 45 degrees. Some calculations are done on 10 scale longitudinal using a modified polygon method of blocking.

Each stope and resource area has a section or plan and a work sheet that is kept on file.

The calculated grade, zone width, area of influence and resource or reserve category for each data set (ie. Drill hole or chip sample assays) is entered into a spread sheet. For reserves the expected dilution based on the assumed mining method is included. A separate page for each stope area is maintained.

Minimum Width

The minimum mining width for steep-dipping structures has been increased in 2011 from 5.0 feet to 6 feet.

The minimum mining height for flat structures dipping less than 45° has been increased in 2011 from 8.0 feet to 9.0 feet.

Minimum Strike Length

The minimum strike length for a block is 21 ft (3 sets of chip assays).

Areas of Influence

The radius of influence from a sampled heading is 30 feet for Measured Resource/Proven Reserve (MR/PV).

A MR/PV Block must be exposed by at least one drift and tested between drifts by drilling in a 25 to 30 foot pattern. Where continuity is proven with the drilling, the intervening polygons that are based on the 25 to 30 foot drill pattern may be considered as MR/PV blocks. Drill holes that are only used for MR/PV blocks when the block is otherwise very well defined. This only occurs below the 57 level where there is development on all 4 sides of a massive sheet of continuous ore.

For an Indicated Resource/Probable Reserve (IR/PB) block the radius of influence is an additional 50 feet (30-80 feet from the data). This applies to blocks sampled on two sides by workings a maximum of 150 feet apart where no drilling exists, or above and below a drift where drill hole spacing is greater than 100 feet. For blocks with only drilling a 50 foot radius is used.

Inferred Resource blocks are an additional 50 feet from the IR/PB block (from 80 to 130 ft. from the data). This applies to blocks bounded on one side by a MR/PV or IR/PB. Blocks on a proven mineralized trend that are drilled on a spacing of greater than 100 feet but less than 200 feet are included as an Inferred Resource.

Raises that have been bored are usually ignored in the calculations. Most of the raises are only 42-60" in diameter, and are not representative of the ore width.

Test hole and drift muck data is not used for ore reserve calculations.

Density of Ore

The density or tonnage factor used to convert the volume of the blocks to tons is 11.7 cu ft/ton for all the zones except the Lower D.

The Lower D Zone volumes were converted at a density of 11.5

cu ft/ton due to the additional sulphides that are present.

The density traditionally used in the camp was 12.0 cu ft/ton. There have been a number of studies that suggest that the traditional number was too high and consequently gave an underestimated tonnage. The difference in the tonnage estimate is only about 2.5% between the density used in the past and the current density being used. As this has been applied to all blocks the changed density does not affect the reserve grades.

In 2007 a total of 95 samples was used to measure the density of the SMC zones. These samples confirmed that the density used for the Lower D of 11.5 cu ft/ton was realistic. The other SMC zones varied and it appears that the 11.7 cu ft/ton used overall at Macassa is reasonable. The tonnage difference between 11.5 and 11.7 is less than 2%. This difference is well within the estimation accuracy of the resources and reserves.

The assays of the samples varied from 0.1 ounces of gold per ton (opt) to 42.6 opt and the densities varied from 12.1 cu ft/ton to 10.5 cu ft/ton, however there was no correlation between the grade and the density.

Gold Price

The gold price used for these estimates is CAD \$1,350.00.

Cut-Off Grade

1. Cut-off grades of both 0.18 opt and 0.22 opt are used for resources and reserve calculations depending on the location and economics of the block. Generally a cut-off of 0.22 opt is required on a whole-block basis to achieve profitability. This cut-off is based on a chosen gold price and the operating cost forecast. For mining or geotechnical reasons some sub-blocks below the cut-off may be included. Blocks that grade between 0.18 and the cut-off of 0.22 opt are classified as resource

blocks. The cut-off grade for near-surface resources (surface to -1,000 foot elevation) is 0.12 opt.

The resources at the #2 Shaft are blocks greater than 0.25 opt.

Capping of Assays

Macassa previously used to use a more complex system for cutting assays. The capping system currently in use, is based on a Kinross report by B. Davis (1995). It appears that this simpler single cap method gives much the same results as the old system. It is probably not the final answer. As new ore is found in different settings the capping procedure may need to be modified.

The effect of grade capping can only be truly examined when a large tonnage has been mined and the recovered gold can be compared with forecast for that period.

Grade capping or cutting is necessary at Macassa. The capping practise for the main zones has been used on some of the zones in the SMC. Assays higher than 3.5 opt are cut to 3.5 oz. This capping practise appears to be reasonable.

Some of the zones in the SMC have increased grades much higher than has been normally found in the main zones. This increased grade is also associated with a different style of mineralization. Initial investigation by the Company's geological staff indicated that the historic cutting factor of 3.5 opt was understating the grade of mineralization for the SMC.

The consulting firm of Scott Wilson Roscoe Postle Associates Inc. (SWRPA) was retained in 2007 to investigate, by statistical analysis, 10 of the larger mineralized zones forming part of the SMC. They concluded that there were sufficient data points for a statistical analysis of seven of the 10 zones viewed. As a result, the Company has implemented

various higher grade cutting factors for four of the seven zones. These four zones are the New South Zone (7.2 opt), Lower D North (9.3 opt), Lower D North Footwall (4.8 opt), the #7 and #7 HW Zones (6.4 opt). These new capping levels are now being used on both drill hole assays and underground chip assays.

These revised cutting factors, based on the mean of the assays in the zone plus one standard deviation, are considered to be conservative and are lower than those recommended by SWRPA. Accordingly, the factors may be subject to upward revision as more data points are generated.

Dilution of Reserves

The dilution applied to the reserves depends on the type of stope that is anticipated for the mining blocks. The dilution is added on a stope basis. All dilution is assigned a grade of 0.02 opt.

Dilution has not been added to the resource blocks.

The average dilution included in the Reserves of December 30, 2013 is 24%.

Long hole stopes are diluted by 50-100%, mostly 50%.

Cut-and-fill stopes are diluted 15-50%.

These dilution factors are based on a comprehensive study by Barrick in 1994 and modified on the recent mining experience at Macassa.

Mining Recovery

The recovery of the ore blocks is anticipated at 94.2% of the diluted reserve.

This figure has been applied to all of the reserve blocks but not to the resource blocks.

December 31, 2013 Resources and Reserve:

The resource estimates do not include the reserves.

The reserve estimates are recoverable, diluted and in-situ.

The resources and reserves include previous joint venture partner Queenston Mining Inc. share of resources.