

TORONTO, ONTARIO--(Marketwired - Mar 10, 2016) - Kirkland Lake Gold Inc. ("Kirkland Lake Gold" or the "Company") (TSX:KGI), an intermediate gold producer with operations in Ontario, Canada, today announces financial results for third quarter reporting period of Stub Year 2015 (November 1 to December 31, 2015, "SY15_Q3"), as well as the full eight month period of Stub Year 2015 (May 1 to December 31, 2015, "SY15", or "YTD"). All figures in this release are in Canadian dollars unless stated otherwise.

Highlights⁽²⁾

- Produced 27,604 ounces of gold in SY15_Q3 for total YTD production of 102,597 ounces, meeting the mid-range of production guidance of between 90,000 - 110,000 ounces.
- Achieved a head grade of 0.42 ounces per ton ("opt"), or 14.4 grams per tonne ("g/t") with mill recoveries of 97.1%.
- Sold 101,094 ounces of gold at an average realized price per ounce of \$1,483 (US\$1,142) in SY15.
- Cash Operating Costs per Ounce of Gold Produced⁽¹⁾ of \$716 (US\$535) in SY15_Q3; and \$793 (US\$612) YTD.
- All-in Sustaining Cost per Ounce of Gold Sold⁽¹⁾ ("AISC") of \$1,358⁽³⁾ (US\$1,006) in SY15_Q3; and \$1,259 (US\$970) YTD.
- All-In Cash Cost per Ounce of Gold Produced⁽¹⁾ ("AICC") of \$1,346⁽³⁾ (US\$997) in SY15_Q3; and \$1,338 (US\$1,030) YTD.
- Income before income taxes of \$2.8 million in SY15_Q3 and \$16.5 million YTD.
- Net and comprehensive income of \$1.0 million or \$0.01 per share in SY15_Q3; and \$7.3 million or \$0.09 per share YTD.
- Generated cash flow from operations during the period of \$15.4 million; and \$49.2 million YTD.
- Generated free cash flow⁽¹⁾ of \$7.9 million during the period; and \$19.3 million YTD.
- Cash as at December 31, 2015, was \$93.7 million and subsequent to the close of the acquisition of [St Andrew Goldfields Ltd.](#), the Company had cash and cash equivalents of \$109.5 million as of February 19, 2016.

Mr. George Ogilvie, Chief Executive Officer of the Company commented, "We are pleased to be able to report a seventh consecutive quarter of positive earnings and free cash flow generation, which has resulted in our cash balance continuing to grow.

"Post year end we completed the acquisition of St Andrew Goldfields; which, along with higher gold prices, further boosted our cash balance to approximately \$110 million. We believe the pro-forma company will continue to show improvements in its key business metrics allowing us to further deleverage the company over the course of the next two years.

"In 2015 we saw continued success with our exploration program in the Kirkland Lake camp. Our intention in 2016 is to continue to invest in the Kirkland Lake camp within the Macassa Mine and our regional drill program. For our newly acquired East Timmins assets we intend to invest within the existing operating mines in 2016; while taking this year to assess our entire 120km strike length of land across the Porcupine-Destor Fault with a mindset to drill on identified targets in 2017."

Financial and Operational Metrics

Key Operating Information	Q3/SY15	Q2/SY15	Q4/15*	SY2015	FY2015	Change	
Average Tons per day (tpd)	1,123	1,006	12	% 1,016	1,022	-1	%
Average Head Grade (opt)	0.41	0.42	-2	% 0.42	0.43	-2	%
Average Head Grade (g/t)	14.1	14.4	-2	% 14.4	14.7	-2	%
Tons ore milled	68,517	92,532	-26	% 248,824	369,976	-33	%
Recovery (%)	97.2	96.6	1	% 97.1	96.5	1	%
Gold Produced (Oz)	27,604	37,979	-27	% 102,597	153,957	-33	%
Key Financial Information (CAD\$)	Q3/SY15	Q2/SY15	Q4/15*	SY2015	FY2015	Change	
Gold Sales (Oz)	25,284	39,109	-35	% 101,094	155,709	-35	%
Average Realized Price (\$) (per Oz) ⁽¹⁾	1,486	1,481	0	% 1,483	1,412	5	%
Revenue (000's)	37,582	57,934	-35	% 149,874	219,888	-32	%
Income before Income Taxes (000's)	2,765	8,262	-68	% 16,508	25,506	-36	%
Cash Operating Cost per Ton Produced ⁽¹⁾	289	363	-20	% 327	345	-5	%
Cash Operating Cost per Oz Produced ⁽¹⁾	716	885	-18	% 793	831	-4	%
All-in Sustaining Costs (AISC) per Oz Sold ⁽¹⁾	1,358	1,283	6	% 1,259	1,227	3	%
All-in Cash Costs (AICC) per Oz Produced ⁽¹⁾	1,346	1,445	-7	% 1,338	1,327	2	%
Key Financial Information (US\$) ⁽²⁾	Q3/SY15	Q2/SY15	Q4/15*	SY2015	FY2015	Change	
Average Realized Price (\$) (per Oz) ⁽¹⁾	1,101	1,186	-7	% 1,142	1,228	-7	%
Cash Operating Cost per Ton Produced ⁽¹⁾	216	291	-26	% 252	300	-16	%
Cash Operating Cost per Oz Produced ⁽¹⁾	535	709	-25	% 612	723	-15	%
AISC per Oz Sold ⁽¹⁾	1,006	1,028	-2	% 977	1,067	-8	%
AICC per Oz Produced ⁽¹⁾	997	1,157	-14	% 1,030	1,154	-10	%

• FY2015 was the 12 month period from May 1, 2014 to April 30, 2015; SY2015 was the eight month period from May 1, 2015 December 31, 2015.

• AISC for Q3/SY15 is higher than AICC due to inventory adjustments and the difference in ounces sold versus produced during the period.

Macassa Mine Complex

The operation performed well during SY15 and despite a challenging second quarter, the Company achieved just over the mid-range of its stated guidance on production ounces. For the full eight month period of the Stub Year, the Company milled 248,824 tons (or 225,729 tonnes) at a head grade of 0.42 opt (14.4 g/t), with recoveries of 97.1%, producing 102,597 ounces of gold.

The average mining rate for SY15 was 1,016 tpd, 2% below the anticipated rate of 1,035 tpd. The production issues encountered late in Q2 that carried over into November resulted in a slight drop in the tons produced. The strategy of focusing on quality tons versus quantity of tons has worked well over the past 24 months generating 7 quarters of continuous profitability and free cash flow. The primary focus remains on ensuring that the mined head grade reconciles with the stope reserve blocks. With a focus on gold ounces produced, as new mining levels are opened up in the lower SMC (54 Level and 56 Level), there will be an incremental increase in tons produced while still maintaining the targeted head grade.

For FY2016 the Company is targeting an average production rate of 1,130 tpd. With additional high grade stopes from the 5400 Level coming online mid-year, this will result in more quality ore tons. The bulk of the new mining equipment is expected to arrive over the next couple of months which will allow the Company to achieve its stated level of production for 2016.

East Timmins Assets

As reported by [St Andrew Goldfields Ltd.](#) (see press release dated January 8, 2016 under the [St Andrew Goldfields Ltd.](#) profile on [www.sedar.com](#)), the Holt, Holloway and Taylor mines produced 107,333 ounces of gold for the full 12 months of 2015. The Taylor Mine declared commercial production in November 2015, and contributed 15,964 ounces of production.

Kirkland Lake Gold is currently integrating the budgets and assessing the mine plan for 2016 at each of the three East Timmins Operations. The Company expects to release updated 2016 guidance information before the end of April 2016.

Exploration

During the stub year, the Company continued underground drilling with two rigs (50,700 feet of drilling) on the Macassa-5300 foot level. The drills tested the down dip component of the SMC on the South Claims as well as further to the east on the HM Claim areas of the land position. Both drills focused on resource replacement and further expansion of the SMC.

As well, the Company commenced a surface drilling program to test for mineralization on the north side of the Amalgamated Break and the possible easterly extension of the SMC across a previously untested trend of approximately 1,500 metres in strike length. The first two phases of this program were completed during SY15 and 9 of the 11 holes intersected mineralization. This drilling has defined a deep mineralized horizon approximately 1,830 m (~6,000 feet) below surface that now has a strike length of approximately 500 metres (1,640 feet).

SY15 Key Performance Indicators

The Company's guidance metrics for the eight month Stub Year 2015 (eight month period from May 1, 2015 to December 31, 2015), are detailed in the table below. The delivery of new battery operated equipment was delayed due to the manufacturers delivery schedule, therefore the expenditures are being deferred into 2016, resulting in a lower capital spend than anticipated. As a result, the Company revised its guidance on Total Capital Expenditures to \$32 - \$35 million for SY15 from initial the initial guidance of \$41 - \$48 million. Accordingly, guidance on free cash flow generation was also increased to \$11 - \$18 million from the initial guidance of \$2 - \$5 million.

SY15 Guidance (C\$)	Metric	SY15 Actual	Results Against Guidance
\$800 - \$850	Cash operating cost per ounce ⁽¹⁾	\$793	Beat
\$1,200 - \$1,300	AISC per ounce sold ⁽¹⁾	\$1,259	Achieved
\$1,300 - \$1,400	AICC per ounce produced ⁽¹⁾	\$1,338	Achieved
\$32 - \$35 million	Total Capital Expenditures	\$30 million	Revised Down
\$145 - \$155 million	Revenue	\$150 million	Achieved
\$43 - 53 million	Cash flow from operations	\$49 million	Achieved
\$11 - \$18 million	Free cash flow generation ⁽¹⁾	\$19 million	Beat

For a description of risk factors affecting the Company and 'Forward Looking Information', see the Company's Annual

Information Form for the year ended April 30, 2015, and the Company's MD&A for the period ended December 31, 2015, filed with certain securities regulatory authorities in Canada and available on SEDAR at www.sedar.com. For a description and reconciliation of Non-GAAP measures please see below and refer to Appendix B of the Company's MD&A for period ended December 31, 2015, as filed on SEDAR at www.sedar.com.

Conference Call Details

The Company will hold a conference call to discuss the most recent quarter and year end results for its Stub Year of 2015 on Thursday March 10, at 11:00am EST. You are invited to participate via teleconference using the details below. A replay of the call will be posted on the Company's website (www.klgold.com).

Participant Dial-In Numbers

Toll-Free North America: +1 (877) 291-4570; Local and International: +1 (647) 788-4919

Local from Switzerland: (0-800) 835-354; Local from the United Kingdom: (0-800) 051-7107

Conference ID: 62024192

Replay Dial-In Numbers

Local and International: +1 (416) 621-4642

Toll Free North America: +1 (800) 585-8367

Conference ID: 62024192

Replay Available Until: April 10, 2016 at 11:59PM ET

Qualified Persons

Production and processing at the Company's milling facility are under the supervision of Mr. Chris Stewart, P.Eng, Vice President of Operations. The Company's exploration program is under the supervision of Mr. Stewart Carmichael, P.Geo, Regional Manager of Exploration. Messrs. Stewart and Carmichael are 'qualified persons' for the purpose of National Instrument 43-101, *Standards of Disclosure for Mineral Projects*, of the Canadian Securities Administrators, and have reviewed and approved this news release. As the Vice President of Operations and Manager of Exploration, Messrs. Stewart and Carmichael are not considered independent.

Selected Financial Information & Review of Overall Performance

Financial Highlights (All amounts in 000's of Canadian Dollars, except gold price per ounce, shares and per share figures)	2 Months Ended	3 Months Ended	
	Dec 31, 2015	Oct 31, 2015	Apr 30, 2015
Gold Sales (ounces)	25,284	34,606	39,125
Average Gold Price (per ounce)	1,486	1,461	1,451
Revenue	37,581	50,570	57,000
Production Expenses	28,444	37,468	43,125
Exploration Expenditure	2,592	1,773	1,125
Other Expenses	3,780	5,033	4,125
Income before Income Taxes	2,765	6,296	8,125
Net and Comprehensive Income	1,040	2,068	7,125
Per share (basic and diluted)	0.01	0.03	0.03
Cash flow from operations	15,362	20,115	21,125
Cash flow (used in) from financing activities	(5,724)	(4,891)	(28,125)
Cash flow from (used in) investing activities	452	(12,237)	(1,125)
Net increase in cash	10,337	2,271	36,125

Total cash resources	93,727	83,390	80
Other Current Assets	25,506	27,196	26
Current Liabilities	32,991	29,700	35
Working Capital	86,242	80,886	71
Total Assets	484,740	476,521	46
Total Liabilities	172,146	165,405	16
Basic weighted average number of shares outstanding	80,954,117	80,493,133	80
Dividends per share	NIL	NIL	NIL

Reconciliation of Non-GAAP Financial Measures

The Company has included non-GAAP performance measures throughout this document. These include: cash operating costs per ton of ore produced, cash operating costs per ounce of gold produced, all-in cash costs per ounce of gold produced, all-in sustaining costs per ounce of gold sold, free cash flow, average sales price and working capital. Cash operating costs per ton of ore and ounce of gold produced, all-in cash costs per ounce of gold produced and all-in sustaining costs per ounce of gold sold are common performance measures in the mining industry but do not have any standardized meaning. The guidance provided by the World Gold Council for calculating all-in costs was reviewed and partially followed; however, the Company includes financing fees within the total cash costs and adjusts for non-cash items such as inventory valuation changes and, as a result, uses ounces produced rather than sold as the divisor when calculating AICC. Total cash operating costs include mine site operating costs (mining, processing and refining, in-mine drilling expenditures, administration, and production taxes), but are exclusive of other costs (royalties, depreciation and depletion, non-cash inventory valuation adjustments, off-site corporate costs, reclamation, capital, long-term development and exploration). All-in cash costs include all cash costs incurred or accrued during the period. The guidance provided by the World Gold Council for calculating all-in sustaining costs was reviewed and followed for calculating AISC. The Company currently considers all capital spending to be sustaining in nature. These measures, along with sales, are considered by the Company to be indicators of the Company's ability to generate operating earnings and free cash flows from its mining operations. The Company believes that certain investors use this information to evaluate the Company's performance and ability to generate cash flows. These should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of production costs presented under IFRS. The following tables provide reconciliation of such costs to the Company's financial statements for the quarters and year to date periods as noted:

Cash Operating Costs	Two months ended	TH
<i>All amounts in 000s of Canadian Dollars except tons ore produced, ounces of gold produced and unit costs</i>	Dec 31, 2015	Apr 2015
Production Expense	\$ 28,444	\$
Gold Inventory Valuation Adjustment	(845))
Amortization and Depletion	(6,712))
Stock-based compensation	(158))
Cash Production Costs	\$ 20,730	\$
Royalties	(960))
Cash Operating Costs	\$ 19,770	\$
Tons of Ore Produced	68,517	
Ounces of Gold Produced	27,604	
Cash Operating Cost per Ton	\$ 289	\$
Cash Operating Cost per Ounce	\$ 716	\$
AISC per Ounce Sold	Two months ended	TH
<i>All amounts in 000s of Canadian Dollars except ounces produced and unit costs</i>	Dec 31, 2015	Apr 2015
Operating Costs per FS	\$ 20,613	\$
Royalties Expense	960	
Stock Based Compensation	436	
Exploration Expense (no Surface)	333	
Corporate Expense (no financing costs)	1,275	
Mineral Property Additions	6,932	
Property, Plant & Equipment Purchases	3,813	
AISC	\$ 34,362	\$
Ounces of Gold Sold	25,284	
AISC per Ounce Sold	\$ 1,358	\$
AICC per Ounce Sold	Two months ended	TH
<i>All amounts in 000s of Canadian Dollars except ounces produced and unit costs</i>	Dec 31, 2015	Apr 2015

Cash Operating Costs (see above)	\$	19,770	\$
Royalties Expense		960	
Exploration Expense		1,527	
Corporate Cash Expense		4,142	
Mineral Property Additions		6,932	
Property, Plant & Equipment Purchases		3,813	
AICC	\$	37,144	\$
Ounces of Gold Produced		27,604	
AICC per Ounce Produced	\$	1,346	\$
Average Sales Price		Two months ended Dec 31, 2015	TH Ap

Revenue (<i>in 000s of Canadian Dollars</i>)	\$	37,581	\$
Ounces of Gold Sold		25,284	
Average Gold Sales Price CAD	\$	1,486	\$
CAD / US dollar exchange rate used in conversions		1.3498	
Free Cash Flow		Two months ended Dec 31, 2015	TH Ap

Cash Inflows from Operations	\$	15,362	\$
Mineral Property Additions		(6,932))
Property, Plant & Equipment		(520))
Free Cash Flow	\$	7,910	\$

Working Capital	Dec 31, 2015	Apr 30, 2015
<i>(All amounts in 000s of Canadian Dollars)</i>		
Current Assets	122,622	106,858
Current Liabilities	32,980	35,854
Working Capital	89,643	71,004

About the Company

[Kirkland Lake Gold Inc.](#) is a Canadian focused, intermediate gold producer with assets in the historic Kirkland Lake gold camp, and east of the Timmins gold camp along the Porcupine-Destor Fault Zone, both in northeastern Ontario. The Company is currently targeting annual gold production of between 260,000 to 310,000 ounces from its cornerstone asset, the Macassa Mine Complex and the recently acquired Holt-Holloway and Taylor mines.

The Company is committed to building a sustainable mining company that is recognized as a safe and responsible gold producer with quality assets in safe mining jurisdictions.

The Toronto Stock Exchange has neither reviewed nor 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" within the meaning of applicable securities laws, 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. 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, including but not limited to; the development of the Macassa Mine Complex and the East Timmins operations and the anticipated timing thereof, the anticipated timing of the release of the updated 2016 guidance information on the East Timmins assets. 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 reserves and resources, changes in project parameters as plans continue

to be refined, changes in project development, construction, production and commissioning time frames, 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 December 31, 2015, and the Company's Management's Discussion and Analysis for the interim period ended December 31, 2015, 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.

(1) The Company has included the following non-GAAP performance measures in this press release; average realized price per ounce sold, cash operating cost per ton produced and per ounce produced, AICC per gold ounce produced and AISC costs per ounce sold. These are common performance measures in the mining industry but do not have any standardized meaning. Refer to the end of this document for a reconciliation of these measures to the accompanying financial statements as filed on SEDAR at www.sedar.com.

(2) All US dollar equivalents are converted at the average CAD to USD exchange rate during the reporting period.

(3) During the SY15_Q3 period, the AISC is higher than the AICC due to one-time transaction fees associated with the acquisition of [St Andrew Goldfields Ltd.](#), inventory adjustments, and the difference in the amount of ounces sold versus produced.

Contact

[Kirkland Lake Gold Inc.](#)

George Ogilvie, P.Eng
Chief Executive Officer
+1 416-840-7884 or Toll Free: 1-866-384-2924
gogilvie@klgold.com

[Kirkland Lake Gold Inc.](#)

Suzette N. Ramcharan, CPIR
Director of Investor Relations
Direct: +1 647-361-0200 or Mobile: +1 647-284-5315
sramcharan@klgold.com
www.klgold.com