

TORONTO, ONTARIO--(Marketwired - Nov 14, 2016) - [Kirkland Lake Gold Inc.](#) ("Kirkland Lake Gold") (TSX:KLG) reminds shareholders that there is only one transaction before them, which is the business combination with [Newmarket Gold Inc.](#) ("Newmarket"). Shareholders must vote their proxies before 10:00 a.m. (Toronto time) on November 23, 2016.

Kirkland Lake Gold, after consultation with external legal and financial advisors, determined after rigorous review on three separate occasions that the proposals received from [Gold Fields Ltd.](#) ("Gold Fields") and [Silver Standard Resources Inc.](#) ("Silver Standard"), which were all non-binding and subject to due diligence, were financially inferior acquisition proposals.

"We want to thank shareholders for their continued support for our transaction with Newmarket. Despite the proposals from Gold Fields and Silver Standard, the majority of shareholders we have spoken with and our board remain steadfast in their belief that the Newmarket transaction represents a clear and compelling opportunity to create sustained, long-term value for all Kirkland Lake Gold shareholders," said Tony Makuch, President and CEO of Kirkland Lake Gold.

Business Combination with Newmarket Represents a Superior Opportunity

The Kirkland Lake Gold Board and Special Committee have determined, after advice from their two legal and three financial advisors, that the non-binding, conditional, proposal is not financially superior to the combination with Newmarket. As outlined in the Joint Management Information Circular, the Boards of Newmarket and Kirkland Lake Gold believe that the combination of the two companies will create a new, low cost, diversified mid-tier gold producer that will generate superior free cash flow and have strong financial and technical capabilities to exploit a pipeline of high value development opportunities. Kirkland Lake Gold believes that the combined company will be a preferred investment among mid-tier gold producers, commanding an increased capital market profile.

"In volatile gold price environments, gold producers require strong balance sheets, operational scale, superior free cash flow generation and growing low cost production. Based on Q3, 2016 financial reporting for the nine months ending September 30, 2016, on a pro forma basis Newmarket and Kirkland Lake Gold have a combined cash position of approximately C\$320 million, produced 382,927 oz of gold at all-in-sustaining costs per ounce sold of US\$954/oz and generated C\$137 million in free cash flow. On a combined company basis, the companies are well on their way to producing more than 500,000 oz of gold in 2016 and achieving mid-tier gold producer status" Mr. Makuch added.

In terms of share price performance, since Kirkland Lake Gold announced the business combination with Newmarket:

- the gold price has declined 7.1% (US\$94.57)
- the GDXJ Junior Gold Miners Index has declined 24.4%
- the S&P/TSX Global Gold Index has declined 22.5%
- Kirkland Lake Gold shares have declined by 27.8%
- Newmarket shares have declined 30.4%
- Gold Fields shares have declined 32.7% on the NYSE
- Silver Standard shares have declined 21.7% (13.3% in just the last trading session on the TSX Exchange)

Kirkland Lake Gold believes that the business combination with Newmarket will provide shareholders with a company that has the scale, financial strength, low cost production and cash flow to withstand significant fluctuations in the gold price.

Facts Regarding the Gold Fields and Silver Standard Proposals

Kirkland Lake Gold would also like to make the following clear:

- All of the proposals that were made by Gold Fields and Silver Standard were non-binding, conditional and determined to be financially inadequate by a Special Committee of the Board of Kirkland Lake Gold and by the Board of Kirkland Lake Gold, after consultation with their three financial advisors.
- Because all of the proposals were financially inadequate, Kirkland Lake Gold was and is precluded by the terms of its arrangement agreement with Newmarket from engaging in any discussions with Gold Fields or Silver Standard concerning the proposals or providing any due diligence access to them. These contractual restrictions are publicly available for review by Gold Fields and Silver Standard.
- Kirkland Lake Gold's Board and Special Committee's assessment of the proposals was conducted in a rigorous manner that was consistent with the highest standards of corporate governance.
- Gold Fields and Silver Standard are prohibited by the terms of a confidentiality agreement made between Gold Fields and Kirkland Lake Gold, from commencing an unsolicited or "hostile" bid for Kirkland Lake Gold. Kirkland Lake Gold intends to vigorously enforce this prohibition against each of Gold Fields and Silver Standard.

Reasons for Rejecting the Proposals

The Board of Directors and Special Committee, after receiving the advice of their legal advisors and three separate financial advisors, remain steadfast in their conclusion that the proposals, including the most recent one shared with the media, were not financially superior to the Newmarket transaction:

- The proposals failed to recognize the strategic value of Kirkland Lake Gold's asset base. Kirkland Lake Gold's shareholders currently have 100% ownership in both the Macassa Mine Complex and the Holt Mine Complex in mining-friendly Ontario. The Macassa Mine Complex is a multi-million ounce deposit and one of the highest grade gold mines in the world. The Holt Mine Complex includes the newly built Taylor mine, which has significant upside potential, and the Holt and Holloway mines which provide sustainable and profitable production. The proposals would significantly decrease Kirkland Lake Gold shareholders' exposure to the cash generating potential and gold price optionality of the Company's asset portfolio as well as expose Kirkland Lake Gold shareholders to lower quality assets in higher risk jurisdictions.
- The value of the consideration offered in the proposals was below the value that is typically paid in a change of control transaction. The value implied by the consideration offered pursuant to each of the proposals was well below that offered in comparable change of control transactions. Additionally, Kirkland Lake Gold's internal financial model, which has been provided to Gold Fields under a confidentiality agreement over 4 months ago, indicates a value that is considerably higher than the street consensus and would imply transaction multiples well below those based on analyst consensus estimates.
- Each of the proposals was not a "Superior Proposal" from a financial point of view. All three of Kirkland Lake Gold's financial advisors have confirmed to Kirkland Lake Gold, that the proposals, if consummated in accordance with their respective terms, would not result in a transaction more favourable to the Kirkland Lake Gold shareholders, from a financial point of view, than the arrangement with Newmarket.

As a result, the Kirkland Lake Gold Board and Special Committee believe that the Newmarket transaction is in the best interests of Kirkland Lake Gold and its shareholders and strongly recommend that Kirkland Lake Gold shareholders vote in favour of it.

How To Vote

Kirkland Lake shareholders with questions or need help voting are encouraged to contact Kingsdale Shareholder Services at 1-877-659-1824 toll-free within North America, or 1-416-867-2272 (for collect calls outside North America), or e-mail at contactus@kingsdaleshareholder.com. Shareholders must vote their proxies before 10:00 a.m. (Toronto time) on November 23, 2016.

About Kirkland Lake Gold Inc.

Kirkland Lake Gold 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 280,000 to 290,000 ounces from its cornerstone asset, the Macassa Mine Complex and the Holt Mine Complex which includes the 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 Information

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Kirkland Lake Gold with respect to future business activities and operating performance. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and include information regarding: (i) expectations regarding whether the proposed transaction with Newmarket will be consummated, including whether conditions to the consummation of the transaction will be satisfied, or the timing for completing the transaction, (ii) expectations for the effects of the transaction or the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays, (iii) the potential benefits and synergies of the transaction with Newmarket and (iv) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Kirkland Lake Gold's management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Kirkland Lake Gold believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability

to consummate the transaction with Newmarket; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the transaction on the proposed terms and schedule; the ability of Kirkland Lake Gold and Newmarket to successfully integrate their respective operations and employees and realize synergies and cost savings at the times, and to the extent, anticipated; the potential impact on exploration activities; the potential impact of the announcement or consummation of the transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; the re-rating potential following the consummation of the transaction; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the transaction. This forward-looking information may be affected by risks and uncertainties in the business of Kirkland Lake Gold and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Kirkland Lake Gold with the Canadian securities regulators, including Kirkland Lake Gold's annual information form, financial statements and related MD&A for the financial year ended December 31, 2015 and its interim financial reports and related MD&A for the period ended September 30, 2016 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 information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Kirkland Lake Gold 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. Kirkland Lake Gold does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

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