

TORONTO, ONTARIO--(Marketwired - Dec. 14, 2015) - Kirkland Lake Gold Inc. ("Kirkland Lake Gold" or the "Company") (TSX:KGI), an operating and exploration gold company with operations in Ontario, Canada, today announces financial results for the second quarter of its Stub Year 2015 ("SY15_Q2"), which includes the three and six months ended October 31, 2015. All figures in this release are in Canadian dollars unless stated otherwise.

Highlights²

- Produced 33,511 ounces of gold in SY15_Q2; YTD production of 74,993 ounces, on track to meet the mid-range of production guidance of between 90,000 - 110,000 ounces.
- Achieved a head grade of 0.40 ounces per ton ("opt"), or 13.7 grams per tonne ("g/t") in SY15_Q2; and achieved an average head grade of 0.43 opt or 14.7 g/t year to date ("YTD").
- Sold 34,606 ounces of gold at an average realized price per ounce of \$1,461 (US\$1,110) in SY15_Q2; and sold 75,811 ounces at an average realized price of \$1,481 (US\$1,156) YTD.
- Cash Operating Costs per Ounce of Gold Produced¹ of \$856 (US\$650) in SY15_Q2; and \$831 (US\$648) YTD.
- All-In Cash Cost per Ounce of Gold Produced¹ ("AICC") of \$1,490 (US\$1,132) in SY15_Q2; and \$1,325 (US\$1,234) YTD.
- All-in Sustaining Cost per Ounce of Gold Sold¹ ("AISC") of \$1,266 (US\$962) in SY15_Q2; and \$1,226 (US\$957) YTD.
- Income before income taxes of \$6.3 million in SY15_Q2 and \$13.7 million YTD.
- Net and comprehensive income of \$2.1 million or \$0.03 per share in SY15_Q2; and \$6.3 million or \$0.08 per share YTD.
- Generated cash flow from operations during the quarter of \$20.3 million; and \$35.2 million YTD.
- Generated free cash flow¹ of \$7.9 million during the quarter; and \$11.9 million YTD.
- Cash as at November 13, 2015, of \$88.5 million.

Mr. George Ogilvie, Chief Executive Officer of the Company commented, "We are pleased to be able to report a sixth consecutive quarter of positive earnings and free cash flow generation for the second quarter of the Stub Year for 2015, despite lower production and head grades achieved during the quarter. This indicates that we are now beginning to make inroads into our costs. We are still on track to meet all our guidance metrics for the year and will continue to assess our operations in order to increase productivity and reduce costs.

"Our exploration programs have continued to return positive results this year, and in tandem with our proposed acquisition of [St Andrew Goldfields Ltd.](#), de-risks the business, while providing future growth opportunities in the stable and safe jurisdiction of northern Ontario."

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.

Financial and Operational Metrics

Key Operating Information	Q2/SY15	Q1/SY15	Q2/15	SY2015 YTD	FY2015 YTD	Year on year	
Average Tons per day (tpd)	933	1,026	1,002	980	1,011	-3	%
Average Head Grade (opt)	0.40	0.45	0.41	0.43	0.43	0	%
Average Head Grade (g/t)	13.9	15.4	14.1	14.7	14.7	0	%
Tons ore milled	85,869	94,737	92,146	180,306	186,026	-3	%
Recovery - %	97.3	96.1	96.4	97.1	96.4	0.5	%
Gold Produced (Oz)	33,511	41,482	36,292	74,993	76,820	-2	%

Key Financial Information (CAD\$)	Q2/SY15	Q1/SY15	Q2/15	SY2015 YTD	FY2015 YTD	Year on year	
Gold Sales (Oz)	34,606	41,204	38,335	75,811	76,878	-1	%
Average Realized Price (\$) (per Oz) ¹	1,461	1,498	1,395	1,481	1,398	6	%
Revenue (000's)	50,570	61,723	53,479	112,292	107,482	4	%
Income before Income Taxes (000's)	6,296	7,445	4,383	13,742	9,945	38	%
Cash Operating Cost per Ton Produced ¹	334	348	350	341	345	-1	%
Cash Operating Cost per Oz Produced ¹	856	792	889	821	836	-2	%
All-in Cash Costs (AICC) per Oz Produced ¹	1,490	1,234	1,374	1,348	1,308	3	%
All-in Sustaining Costs (AISC) per Oz Sold ¹	1,266	1,193	1,220	1,226	1,226	0	%

Key Financial Information (US\$)²

Average Realized Price (\$) (per Oz) ¹	1,110	1,200	1,262	1,156	1,278	-10	%
Cash Operating Cost per Ton Produced ¹	254	279	317	266	315	-16	%

Cash Operating Cost per Oz Produced ¹	650	635	804	648	764	-16	%
AICC per Oz Produced ¹	1,132	989	1,243	1,052	1,196	-12	%
AISC per Oz Sold ¹	962	956	1,104	957	1,121	-15	%

Operations

The average production rate in SY15_Q2 was 933 tpd, as further discussed in detail in our Management Discussion and Analysis ("MDA"). The head grade achieved during the quarter of 0.40 opt (13.7 g/t), with a milling recovery rate of 97.3%.

In summary, the limited access to higher grade stopes in the lower levels of the SMC, the constraints in the movement of rock, and the loss of two weeks of skipping, resulted in the lower tons of 85,869 during the quarter at a head grade of 0.40 opt (13.7 g/t) for a total of 33,511 ounces of recovered gold. With YTD production of 74, 993 ounces at an average head grade of 0.43 opt (14.7 g/t), the Company expects to meet its guidance for the Stub Year.

Exploration

During the quarter, and subsequent to quarter end, the Company released positive drilling results from the underground drill program on the SMC, and surface drilling as part of the regional drilling program.

The SMC results included drilling on the HM and South Claims aimed at infill drilling inferred areas of the SMC in order to gain greater confidence in these areas and testing fringe areas in order to extend the SMC further to the south, east and at depth. The regional program returned exciting results east of the last known mineralization within the SMC which continue to be followed up on with a Phase 2 drill program expected to continue to the end of the year.

Acquisition of [St Andrew Goldfields Ltd.](#)

On November 16, 2015, the Company announced that it had entered into a binding definitive agreement (the "Agreement") whereby Kirkland Lake will acquire all of the outstanding common shares of [St Andrew Goldfields Ltd.](#) ("St Andrew") pursuant to a plan of arrangement (the "Transaction") to create a multi-asset, Ontario-focused, intermediate gold producer.

Under the terms of the Agreement, common shareholders of St Andrew will receive 0.0906 of one common share of Kirkland Lake (the "Exchange Ratio") for each St Andrew common share held. Upon completion of the proposed Transaction, existing Kirkland Lake and St Andrew shareholders will own approximately 71% and 29% of the combined company, respectively. The agreement includes customary deal protections, including mutual covenants not to solicit other acquisition proposals, a right to match provision for Kirkland Lake, a reciprocal break fee payable in an amount of C\$7.1 million and a reciprocal expense reimbursement fee of C\$1.0 million payable by one party to the other party in certain circumstances if the Transaction is not completed.

The Transaction will be carried out by way of a court approved plan of arrangement and will require approval of at least 66 2/3% of the votes cast by the shareholders of St Andrew at a special meeting of St Andrew shareholders expected to be held on January 19, 2016. The issuance of shares by Kirkland Lake is also subject to the approval of a majority of the votes cast by the shareholders of Kirkland Lake at a special meeting of Kirkland Lake shareholders which is also expected to be held on January 19, 2016. Upon completion of the Transaction, Kirkland Lake will have approximately 114.7 million common shares issued and outstanding.

The acquisition is subject to shareholder, court approvals and applicable regulatory approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature.

SY15 Outlook

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. Delivery of new battery operated equipment was delayed due to the manufacturers delivery schedule, therefore the expenditure is being deferred into 2016, resulting in a lower capital spend than anticipated. As a result, the Company has revised its guidance on Total Capital Expenditures to between \$32 - \$35 million for SY15 from initial the initial guidance of between \$41 - \$48 million. Accordingly, our guidance on free cash flow generation has also been increased to \$11 - \$18 million from the initial guidance of \$2 - \$5 million.

SY15 Guidance (C\$) Metric		SY15_YTD Actual Status	
\$800 - \$850	Cash operating cost per ounce ¹	\$821	On Track
\$1,300 - \$1,400	AICC per ounce produced ¹	\$1,348	On Track
\$1,200 - \$1,300	AISC per ounce sold ¹	\$1,226	On Track
\$32 - \$35 million	Total Capital Expenditures	\$23 million	Revised Down

\$145 - \$155 million	Revenue	\$112 million	On Track
\$43 - 53 million	Cash flow from operations	\$35 million	On Track
\$11- \$18 million	Free cash flow generation ¹	\$12 million	Revised Up

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 October 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 October 31, 2015, as filed on SEDAR at www.sedar.com.

Conference Call Details

The Company will hold a conference call to discuss the second quarter results for its Stub Year of 2015 on December 14, 2015, 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: 92451016

Replay Dial-In Numbers

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

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

Conference ID: 92451016

Replay Available Until: January 14, 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, 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	Three Months Ended,		
<i>(All amounts in 000's of Canadian Dollars, except gold price per ounce, shares and per share figures)</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014
Gold Sales (ounces)	34,606	41,204	38,100
Average Gold Price (per ounce) ¹	1,461	1,498	1,380
Revenue	50,570	61,723	53,000
Production Expenses	37,468	45,463	43,000
Exploration Expenditure	1,773	2,196	1,000
Other Expenses	5,033	6,619	4,000
Income before Income Taxes	6,296	7,445	4,000
Net and Comprehensive Income	2,068	4,229	2,000
Per share (basic and diluted)	0.03	0.05	0.01
Cash Flow from operations	20,115	14,920	16,000
Cash Flow (used in) financing activities	(4,891)	) (3,391)	) (4,000)

Cash Flow (used in) investing activities	(12,237)	(10,865)	(1,372)
Net increase in cash	2,271	797	1,474
Total cash resources	83,390	81,119	41,513
Other Current Assets	27,196	28,454	24,312
Current Liabilities	29,700	31,974	34,121
Working Capital	80,886	77,601	31,704
Total Assets	476,521	471,593	411,513
Total Liabilities	165,405	164,563	160,835
Basic weighted average number of shares outstanding	80,493,133	80,366,408	72,311,000
Dividends per share	NIL	NIL	NIL

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

Reconciliation of Non-GAAP 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 and average realized price. 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	Three months ended		
<i>All amounts in 000s of Canadian Dollars except tons ore produced, ounces of gold produced and unit costs</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014
Production Expense	\$ 37,468	\$ 45,463	\$ 37,468
Gold Inventory Valuation Adjustment	751	(2,006)	751
Amortization and Depletion	(8,135)	(8,962)	(8,135)
Stock-based compensation	(65)	(113)	(65)
Cash Production Costs	\$ 30,019	\$ 34,382	\$ 30,019
Royalties	(1,348)	(1,512)	(1,348)
Cash Operating Costs	\$ 28,671	\$ 32,870	\$ 28,671
Tons of Ore Produced	85,869	94,437	85,869
Ounces of Gold Produced	33,511	41,482	33,511
Cash Operating Cost per Ton	\$ 334	\$ 348	\$ 334
Cash Operating Cost per Ounce	\$ 856	\$ 792	\$ 856

AICC per Ounce Produced	Three months ended			Year to Date at O	
<i>All amounts in 000s of Canadian Dollars except ounces produced and unit costs</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014	2015	2014
Cash Operating Costs (see above)	\$ 28,671	\$ 32,870	\$ 32,312	\$ 61,541	\$ 64,121
Royalties Expense	1,348	1,512	1,443	2,859	2,792
Exploration Expense	1,773	2,196	1,617	3,970	2,810
Corporate Cash Expense	5,909	3,740	3,860	9,650	8,219
Mineral Property Additions	10,893	9,500	9,515	20,392	19,924

Property, Plant & Equipment Purchases	1,344	1,366	1,169	2,710	2,9
AICC	\$ 49,938	\$ 51,184	\$ 49,894	\$ 101,123	\$ 100
Ounces of Gold Produced	33,511	41,482	36,292	74,993	76,
AICC per Ounce Produced	\$ 1,490	\$ 1,234	\$ 1,374	\$ 1,348	\$ 1,3

AISC per Ounce Sold	Three months ended			Year to Date at O	
<i>All amounts in 000s of Canadian Dollars except ounces produced and unit costs</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014	2015	2014
Operating Costs per FS	\$ 27,920	\$ 34,876	\$ 32,809	\$ 62,796	\$ 64
Royalties Expense	1,348	1,512	1,443	2,859	2,7
Stock Based Compensation	485	393	762	878	2,6
Exploration Expense (no Surface)	557	581	435	1,139	83
Corporate Expense (no financing costs)	1,275	918	615	2,194	1,3
Mineral Property Additions	10,893	9,500	9,515	20,392	19
Property, Plant & Equipment Purchases	1,344	1,366	1,169	2,710	2,9
AISC	\$ 43,822	\$ 49,146	\$ 46,748	\$ 92,968	\$ 94
Ounces of Gold Sold	34,606	41,204	38,335	75,811	76
AISC per Ounce Sold	\$ 1,266	\$ 1,193	\$ 1,220	\$ 1,226	\$ 1,2

	Three months ended			Year to Date at Oct 31,	
Average Gold Sales Price	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014	2015	2014
Revenue (<i>in 000s of Canadian Dollars</i>)	\$ 50,570	\$ 61,723	\$ 53,479	\$ 112,292	\$ 107,482
Ounces of Gold Sold	34,606	41,204	38,335	75,811	76,878
Average Gold Sales Price CAD	\$ 1,461	\$ 1,498	\$ 1,395	\$ 1,481	\$ 1,398
<i>CAD / US dollar exchange rate used in conversions</i>	<i>1.3163</i>	<i>1.2481</i>	<i>1.1055</i>	<i>1.2816</i>	<i>1.0937</i>

Free Cash Flow	Three months ended			Year to Date at Oct 31,	
<i>All amounts in 000s of Canadian Dollars</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014	2015	2014
Cash inflows from Operations	\$ 20,115	\$ 14,921	\$ 16,552	\$ 35,037	\$ 33,316
Mineral Property Additions	(10,893)	(9,500)	(9,515)	(20,392)	(19,512)
Property, Plant & Equipment Purchases	(1,344)	(1,366)	(1,169)	(2,710)	(2,929)
Free Cash flow	\$ 7,878	\$ 4,055	\$ 5,868	\$ 11,935	\$ 10,875

Working Capital	Three months ended		
<i>All amounts in 000s of Canadian Dollars</i>	Oct 31, 2015	Jul 31, 2015	Oct 31, 2014
Current Assets	\$ 110,586	\$ 109,573	\$ 65,449
Current Liabilities	(29,700)	(31,974)	(33,748)
Working Capital	\$ 80,886	\$ 77,599	\$ 31,701

About the Company

[Kirkland Lake Gold Inc.](#) is a gold producer with assets in Kirkland Lake, northeastern Ontario. Current gold production is in excess of 150,000 ounces per year and is expected to grow to over 180,000 ounces per year in the next three years as exploration and development work continue. The exploration program is aimed at maintaining a property wide reserve and resource base sufficient to sustain a mine life of more than ten years, with the current mine life estimated at between ten to fourteen years of production in a high grade gold camp.

The Company is committed to building a sustainable mining company that is recognized as a safe and responsible gold producer. Kirkland Lake Gold plans to evolve into an intermediate gold mining company centered in the historically robust Kirkland Lake gold camp, while evaluating opportunities for growth in other 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 ability to complete the proposed Transaction as proposed or at all and the timing thereof, the Company's outlook for its Stub Year of 2015 including grade, production and throughput assumptions and development towards the 5600 level; operating costs, all-in cash costs and all-in sustaining costs, revenues, operating cash flow and free cash flow generation; and exploration results from its regional program and the timing thereof. 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, 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, 2015, and the Company's Management's Discussion and Analysis for the interim period ended October 31, 2015, filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

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.

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