

KIRKLAND LAKE GOLD INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTH PERIODS ENDED JANUARY 31, 2010

(EXPRESSED IN CANADIAN DOLLARS)

The accompanying unaudited interim financial statements of Kirkland Lake Gold Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

These unaudited interim financial statements have been approved by the Audit Committee and the Board of Directors of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by The Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

KIRKLAND LAKE GOLD INC.

Balance Sheets

(Unaudited)

As at January 31, 2010 and April 30, 2009

(expressed in Canadian dollars, except share amounts)

	January 31 2010	April 30 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 10,198,477	\$ 1,806,199
Short-term investments (Note 4)	25,228,454	23,638,142
Accounts receivable	2,316,535	4,162,458
Inventories (Note 5)	6,217,289	7,388,143
Prepaid expenses and deposits	813,647	448,946
	<u>44,774,402</u>	<u>37,443,888</u>
Security deposits	67,980	67,480
Restricted cash (Note 3)	4,952,597	4,734,556
Mineral properties (Note 6)	53,070,046	43,319,425
Property, plant and equipment (Note 7)	19,555,009	15,330,251
	<u>\$ 122,420,034</u>	<u>\$ 100,895,600</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,483,565	\$ 11,085,540
Current portion of capital lease (Note 8)	78,229	-
	<u>10,561,794</u>	<u>11,085,540</u>
Asset retirement obligation (Note 9)	3,178,300	3,041,434
	<u>13,740,094</u>	<u>14,126,974</u>
Shareholders' equity		
Capital stock (Note 10)		
Authorized		
Unlimited common shares, without par value		
Issued		
63,532,134 (2009 - 58,548,898) common shares	196,587,224	165,755,459
Options (Note 11)	4,835,578	3,630,924
Warrants (Note 12)	8,311,206	1,499,541
Contributed surplus	3,121,784	3,079,066
Deficit	(104,175,852)	(87,196,364)
	<u>108,679,940</u>	<u>86,768,626</u>
	<u>\$ 122,420,034</u>	<u>\$ 100,895,600</u>

Operations, going concern and measurement uncertainty (Note 1)

Commitments (Notes 3 and 14)

Subsequent events (Note 17)

Approved by the Board of Directors:

(signed) "Brian E. Bayley" Director

(signed) "Brian Hinchcliffe" Director

The accompanying notes are an integral part of these interim financial statements.

KIRKLAND LAKE GOLD INC.

Statements of Operations, Comprehensive Loss and Deficit

(Unaudited)

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars, except share amounts)

	THREE MONTH PERIOD ENDED JANUARY 31 2010	THREE MONTH PERIOD ENDED JANUARY 31 2009	NINE MONTH PERIOD ENDED JANUARY 31 2010	NINE MONTH PERIOD ENDED JANUARY 31 2009
Revenue	\$ 6,177,357	\$ 8,552,787	\$ 35,601,130	\$ 25,331,596
Expenses				
Operating costs	11,020,141	9,818,856	41,384,550	28,950,182
Stock-based compensation for operational personnel	87,490	146,516	956,087	432,687
Amortization and depletion	1,208,916	990,545	3,529,122	2,851,667
Royalties	249,399	344,362	1,425,336	1,013,926
	12,565,946	11,300,279	47,295,095	33,248,462
	(6,388,589)	(2,747,492)	(11,693,965)	(7,916,866)
Other expenses				
General and administrative	649,339	422,213	1,840,064	1,458,467
Exploration	1,107,741	962,687	3,261,837	2,608,860
Interest and bank charges	2,890	2,303	9,686	6,309
Stock-based compensation for administrative personnel	187,709	671,994	403,865	1,359,533
Interest and other income	(73,620)	(118,317)	(229,929)	(517,803)
	1,874,059	1,940,880	5,285,523	4,915,366
Loss and comprehensive loss for the period	(8,262,648)	(4,688,372)	(16,979,488)	(12,832,232)
Deficit - beginning of period	(95,913,204)	(84,857,167)	(87,196,364)	(76,713,307)
Deficit - end of period	\$ (104,175,852)	\$ (89,545,539)	\$ (104,175,852)	\$ (89,545,539)
Basic and diluted loss per share	\$ (0.13)	\$ (0.08)	\$ (0.28)	\$ (0.23)
Weighted average number of shares outstanding	63,415,452	55,716,361	61,046,992	55,710,778

Operations, going concern and measurement uncertainty (Note 1)

The accompanying notes are an integral part of these interim financial statements.

KIRKLAND LAKE GOLD INC.

Statements of Cash Flows

(Unaudited)

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

	THREE MONTH PERIOD ENDED JANUARY 31 2010	THREE MONTH PERIOD ENDED JANUARY 31 2009	NINE MONTH PERIOD ENDED JANUARY 31 2010	NINE MONTH PERIOD ENDED JANUARY 31 2009
Cash flows used in operating activities				
Net loss for the period	\$ (8,262,648)	\$ (4,688,372)	\$ (16,979,488)	\$ (12,832,232)
Items not affecting cash				
Amortization and depletion	1,208,916	990,545	3,529,122	2,851,667
(Gain) loss on investments	(19,100)	(1,387)	(50,031)	139,643
Stock-based compensation	275,199	818,510	1,359,952	1,792,220
Asset retirement obligation	45,622	38,258	136,866	114,772
Changes in non-cash working capital items				
Accounts receivable	(530,985)	(713,541)	1,845,923	(18,477)
Inventories	(2,763,263)	29,874	1,170,854	79,886
Prepaid expenses and deposits	(67,891)	(146,001)	(364,701)	(311,631)
Accounts payable, accrued liabilities and other liabilities	419,307	(151,726)	(601,975)	1,192,330
	(9,694,843)	(3,823,840)	(9,953,478)	(6,991,822)
Cash flows from financing activities				
Net proceeds from issuance of capital stock and warrants	839,901	-	37,480,849	28,000
Proceeds from capital lease	-	-	137,160	-
Repayment of capital lease	(22,490)	-	(58,931)	-
	817,411	-	37,559,078	28,000
Cash flows from (used in) investing activities				
Purchase of property, plant and equipment	(2,238,462)	(2,057,458)	(6,579,480)	(3,638,126)
Purchase of short-term investments	(5,004,700)	(11,497,717)	(71,593,281)	(47,817,343)
Proceeds from sale of short-term investments	25,001,000	18,999,310	70,053,000	51,451,162
Proceeds from disposal of property, plant and equipment	-	-	12,500	-
Restricted cash	-	-	(218,041)	-
Additions to mineral properties	(3,171,027)	(2,493,581)	(10,888,020)	(5,435,499)
	14,586,811	2,950,554	(19,213,322)	(5,439,806)
Increase (decrease) in cash and cash equivalents	5,709,379	(873,286)	8,392,278	(12,403,628)
Cash and cash equivalents - Beginning of period	4,489,098	4,072,251	1,806,199	15,602,593
Cash and cash equivalents - End of period	\$ 10,198,477	\$ 3,198,965	\$ 10,198,477	\$ 3,198,965

Supplemental cash flow information (Note 16)

The accompanying notes are an integral part of these interim financial statements.

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

1. Operations, going concern and measurement uncertainty

Operations

Kirkland Lake Gold Inc. (the Company) owns gold mining and milling operations in Kirkland Lake, Canada, which were inactive when acquired in December 2001.

Going concern

While the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations into the foreseeable future, certain historical adverse conditions and events could cast significant doubt on the validity of this assumption and, hence, the appropriateness of the use of accounting principles applicable to a going concern.

During the years ended April 30, 2009 and 2008, the Company incurred losses of \$10.5 million and \$3.3 million, respectively. Cash flow required for operating activities, including exploration costs charged to operations of \$7.5 million, aggregated \$3.0 million for the two years in total. The funds required to continue operations and exploration activities during this period have been financed primarily from the issue of equity.

At January 31, 2010, the Company has working capital of \$34.2 million. In addition, and as disclosed in Note 17 to these financial statements, on February 4, 2010, the Company raised a further \$30.3 million (net) which further increased this working capital balance. Management projects that these funds, together with cash flow from operations, will be sufficient to meet the Company's obligations and capital expenditure plans for the foreseeable future. Nevertheless, differences are likely to occur between actual results and those projected by management, and those differences may be material. It is possible that the operations will not generate sufficient cash flow for the Company to continue in the normal course without funding being provided from outside sources.

Management has been successful in obtaining sufficient funding for the Company's operating and capital exploration requirements in the past and will pursue additional funding in the future, if necessary. There is, however, no assurance that such funding will be available to the Company, or that it will be available on terms which are acceptable to management. If (i) operations do not generate sufficient cash flow and (ii) sufficient funding for the Company's operating and capital expenditure requirements on terms acceptable to management is not available, the Company may not be able to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Measurement uncertainty

The Company's history of operating losses from mining operations indicate that the recorded costs for mineral properties and related fixed assets may not be recoverable. Management estimates, using a constant gold price of \$1,051 per ounce versus the average gold price of \$1,064 in Q3/10 and operating costs similar to historical costs incurred over the past year, that annual production of 65,000 to 80,000 ounces for each year would be required to cover costs of operations and estimated capital expenditures required for mining operations. To date, the Company has not been successful in sustaining this higher rate of production.

There is significant uncertainty associated with the ability of the Company to recover the carrying value of the mineral property and related assets. Gold price or Canadian/U.S. dollar exchange rate movements, the success of the Company in realizing the benefit of the production improvements noted above, adverse changes in the costs of labour and the other costs or

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

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unforeseen production difficulties all would have an impact on the ability of the Company to achieve its goals from operations. In spite of the increased working capital currently available for use by the Company an adverse development could have a significant impact on the Company's operations and ability to recover costs.

2. Significant accounting policies

Basis of presentation

These unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim financial statements should be read in conjunction with the Company's audited financial statements including the notes thereto for the year ended April 30, 2009.

Adoption of new accounting standards

Effective May 1, 2009, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, Goodwill and Intangible Assets.

The initial adoption of this new standard had no material impact on the Company's financial statements.

Accounting changes

The following Canadian accounting pronouncements were issued and not yet adopted by the Company:

- CICA Handbook Section 1582, Business Combinations. The new standard prescribes how an organization recognizes, measures and discloses a business combination. This standard is not expected to have a significant impact on the Company's financial position or results. This is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.
- CICA Handbook Section 1601, Consolidated Financial Statements. The new section prescribes consolidation accounting standards. This standard is not expected to have a significant impact on the Company's financial position or results. This is effective for fiscal years beginning on or after January 2011.
- CICA Handbook Section 1602, Non-Controlling Interests. The new section prescribes standards for the accounting for a non-controlling interest in business combination. This standard is not expected to have a significant impact on the Company's financial position or results. This is effective for fiscal years beginning on or after January 2011.

3. Restricted cash

Restricted cash includes:

	JANUARY 31 2010	APRIL 30 2009
Letters of Credit:		
Ministry of Northern Development, Mines and Forestry	\$ 4,452,597	\$ 4,452,597
Independent Electricity System Operator of Ontario	500,000	281,959
	\$ 4,952,597	\$ 4,734,556

Letters of credit are secured by the GIC investments as disclosed in Note 4 below.

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

4. Short-term investments

Investments include:

	JANUARY 31 2010	APRIL 30 2009
Government of Canada Treasury Bill bears interest at 0.15%, matures April 1, 2010	19,999,190	-
Guaranteed Investment Certificate bears interest at 0.6%, matures October 34, 2010	10,000,000	-
Government of Canada Treasury Bill bears interest at 0.65%, matures May 14, 2009	-	4,999,286
Government of Canada Treasury Bill bears interest at 0.6%, matures May 14, 2009	-	9,999,577
Government of Canada Treasury Bill bears interest at 0.3%, matures June 11, 2009	-	1,504,795
Government of Canada Treasury Bill bears interest at 0.3%, matures June 11, 2009	-	5,003,994
Government of Canada Treasury Bill bears interest at 0.25%, matures July 23, 2009	-	1,998,660
Investment in mutual funds	181,861	131,830
Less amounts related to letters of credit (see below)	(4,952,597)	-
	<u>\$ 25,228,454</u>	<u>\$ 23,638,142</u>

Letters of credit are in place with the Ministry of Northern Development, Mines and Forestry to cover the estimated total costs of reclamation and site restoration (Note 9), for \$4,452,597, and with the Independent Electricity System Operator of Ontario to secure the provision of electricity, for \$500,000. The letters of credit are secured by a portion of the \$10,000,000 Guaranteed Investment Certificate purchased during the current period.

5. Inventories

	JANUARY 31 2010	APRIL 30 2009
Mine operating supplies	\$ 2,005,215	\$ 1,559,459
Gold in process	4,212,074	5,457,505
Surface stockpile	-	371,179
	<u>\$ 6,217,289</u>	<u>\$ 7,388,143</u>

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

6. Mineral properties

	JANUARY 31 2010	APRIL 30 2009
Balance - Beginning of period	\$ 43,319,425	\$ 36,947,885
Development costs	10,937,521	8,077,906
Depletion	(1,186,900)	(1,706,366)
Balance - End of period	\$ 53,070,046	\$ 43,319,425

	COST	ACCUMULATED DEPLETION	JANUARY 31 2010	APRIL 30 2009
Acquisition allocation	\$ 2,155,023	\$ 307,353	\$ 1,847,670	\$ 1,778,637
Underground development	57,393,775	8,492,497	48,901,278	39,152,009
Underground pumping	2,050,942	560,911	1,490,031	1,533,399
Mill and surface facilities	149,371	41,584	107,787	110,945
Lakeshore property	1,000,411	277,131	723,280	744,435
	\$ 62,749,522	\$ 9,679,476	\$ 53,070,046	\$ 43,319,425

7. Property, plant and equipment

	COST	ACCUMULATED AMORTIZATION	JANUARY 31 2010
Computer equipment	\$ 859,168	\$ 772,234	\$ 86,934
Mine and mill equipment	31,548,641	12,350,365	19,198,276
Vehicles	160,721	119,010	41,711
Buildings	591,822	363,734	228,088
	\$ 33,160,352	\$ 13,605,343	\$ 19,555,009

	COST	ACCUMULATED AMORTIZATION	APRIL 30 2009
Computer equipment	\$ 780,226	\$ 695,722	\$ 84,504
Mine and mill equipment	25,202,263	10,245,820	14,956,443
Vehicles	129,493	108,912	20,581
Buildings	591,822	323,099	268,723
	\$ 26,703,804	\$ 11,373,553	\$ 15,330,251

8. Obligations under capital lease

	JANUARY 31 2010
Lease, bearing interest at 8% per annum, repayable in monthly payments of \$8,487. The lease matures in 10 months.	\$ 78,229

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

9. Asset retirement obligation

The Company has filed a reclamation and site restoration plan in connection with the Kirkland Lake properties and this plan is currently being discussed with the Ontario Ministry of Northern Development and Mining (MNDM). The Company's best estimate of the total costs of reclamation and site restoration at January 31, 2010 are \$5,415,814 and financial assurance has been provided to the MNDM by way of a letter of credit in the amount of \$4,452,597 (Note 4).

A reconciliation for asset retirement obligations is as follows:

	JANUARY 31	APRIL 30
	2010	2009
Balance - Beginning of period	\$ 3,041,434	\$ 2,862,508
Revision to estimated cash flows	-	25,896
Accretion	136,866	153,030
Balance - End of period	\$ 3,178,300	\$ 3,041,434

The Company continues to correspond with the MNDM regarding the Wright Hargreaves property. The Company has retained a consultant to assist in the identification of any potential hazards and related obligations to the Company. This process is currently ongoing, the outcome of which is currently indeterminable at this time.

The provision for asset retirement obligations is based on the following key assumptions.

- The total undiscounted cash flow as at January 31, 2010 is \$5,415,814.
- The expected settlement is to be in 2024.
- A credit adjusted risk free rate at which the estimated payments have been discounted by 6%.
- An inflation rate of 2%.

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

10. Capital stock

	Number of shares	Stated value
Balance - Beginning of period	58,548,898	\$ 165,755,459
Exercise of options (Note 11)	33,000	310,880
Exercise of warrants (Note 12)	390,000	2,984,688
Private placement (a)	4,555,000	37,123,250
Share issuance costs (a)	-	(2,907,038)
Share proceeds allocated to warrants (a)	-	(6,730,015)
Shares Issued to purchase mining claims	5,236	50,000
Balance - End of period	<u>63,532,134</u>	<u>\$ 196,587,224</u>

(a) On September 10, 2009, the Company closed a private placement of 4,555,000 units at a price of \$8.15 per unit for gross proceeds of \$37,123,250. Each unit consisted of one common share and one third of a share purchase warrant. Each whole warrant is exercisable to purchase a further common share at a price of \$9.85 until October 10, 2010. The share purchase warrants issued as part of this placement have been recorded at a fair value of \$6,730,015. The Offering was underwritten by Wellington West Capital Markets Inc. (WWCMI), which was paid a cash fee and issued broker warrants to purchase 273,300 common shares of the Company until September 10, 2010 at a price of \$8.15 each. The share purchase warrants issued to (WWCMI) as part of this placement have been recorded at a fair value of \$1,565,462 and recorded as a cost of the placement. In addition the Company incurred further commissions, fees and legal costs totaling \$2,018,210 in connection with this placement.

11. Options

The Company has a stock option plan which allows the Company to grant options to directors, senior officers and employees of or consultants to the Company or employees of a corporation providing management services to the Company. The aggregate number of common shares which may be subject to issuance pursuant to options granted under this plan is 6,353,213 shares.

The plan provides that the exercise price of a stock option granted under the plan will not be less than the market price at the time of granting of the stock option.

Notwithstanding that stock options can have a maximum term of 10 years it is presently the policy of the Company to issue stock options for terms of five years.

The changes in stock options issued during the 9 month period ended January 31, 2010 are as follows:

	Number of shares	Weighted average exercise price
Options outstanding - beginning of period	1,468,000	\$ 7.62
Granted	35,000	9.06
Exercised	(33,000)	6.01
Forfeited	(15,000)	7.90
Options outstanding - end of period	<u>1,455,000</u>	7.69
Options exercisable - end of period	<u>858,250</u>	\$ 7.93

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

11. Options

The following table summarizes information about stock options outstanding and exercisable at January 31, 2010:

Exercise price	Options outstanding	Options exercisable	Outstanding options weighted average remaining life (years)	Exercisable options weighted average remaining life (years)
\$ 5.05	50,000	25,000	3.69	3.69
6.99	250,000	125,000	3.55	3.55
6.99	487,500	243,750	3.64	3.64
7.90	272,500	129,500	3.29	3.29
8.65	245,000	245,000	1.99	1.99
9.02	20,000	-	4.79	-
9.11	15,000	-	4.92	-
9.25	75,000	50,000	3.30	3.30
12.50	40,000	40,000	2.73	2.73
\$ 5.05 - 12.50	1,455,000	858,250	3.27	3.04

The fair value of each stock option at the date of grant was estimated using the Black-Scholes option-pricing model.

	APRIL 30 2009
Expected life of stock options	3 - 5 years
Risk-free interest rate	2.75 - 3.98%
Expected stock price volatility	53.3 - 88.84%
Expected dividend yield	0%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The value ascribed to unexercised stock options recorded as a component of shareholders' equity is as follows:

	JANUARY 31 2010	APRIL 30 2009
Balance - Beginning of period	\$ 3,630,924	\$ 1,284,136
Accretion of stock options granted	1,359,952	2,642,448
Exercise of stock options	(112,580)	(14,362)
Stock options forfeited	(42,718)	(281,298)
Balance - End of period	\$ 4,835,578	\$ 3,630,924

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

12. Warrants

The changes in warrants outstanding are as follows:

	Number of shares	Weighted average exercise price
Warrants outstanding - beginning of period	930,000	\$ 7.31
Granted (Note 10(a))	1,791,632	9.59
Exercised	(390,000)	5.50
Warrants outstanding - end of period	<u>2,331,632</u>	<u>\$ 9.37</u>

	JANUARY 31 2010	APRIL 30 2009
Balance - Beginning of period	\$ 1,499,541	\$ 677,891
Warrants issued in private placements	8,295,477	821,650
Exercise of warrants	(839,687)	-
Share issue costs allocated to warrants	(644,125)	-
Balance - End of period	<u>\$ 8,311,206</u>	<u>\$ 1,499,541</u>

13. Related party transactions

The following related party transactions occurred during the period:

The Company paid office facilities and administration services in the amount of \$31,500 (2009 - \$31,500) to a company related by a director in common.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

KIRKLAND LAKE GOLD INC.

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(expressed in Canadian dollars)

14. Commitments

As at January 31, 2010, capital commitments included:

Capital Commitments <i>(All commitments in 000s of Canadian Dollars)</i>	\$000
Property, Plant and Equipment	5,848
Underground Development	219
Total	6,067

A net smelter royalty is payable to Kinross Gold Corporation on a sliding scale commencing at 2% if the price of gold sold is equal to or greater than US\$300 per ounce and increasing to 4% if the price of gold sold is equal to or greater than US\$500 per ounce. The royalty amount due is payable quarterly and terminates upon a maximum aggregate payment of \$15 million. During the period ended January 31, 2010, royalties under this agreement amounted to \$1,422,336 (2009 - \$1,010,926). Of the \$15 million the Company had paid \$7,753,028.

As at January 31, 2010, the Company had an outstanding commodity contract with Johnson Matthey Plc. to fix the price of 2,076 ounces of gold at an average price of \$1,177 per ounce to be delivered under this contract. Fair value was not significantly different from stated value when the gold was delivered. As part of the commodity contract Johnson Matthey Plc. has a right to make a margin call if the price of gold falls below the price of the commodity contract until the full amount of the commodity contract has been satisfied. At period end \$61,653 was on deposit with Johnson Matthey Plc.

An agreement between Queenston Mining Inc. and the Company was formed in April 2007 to explore the Morgan property. The Company has agreed to spend \$770,000 on exploration of the property for the fiscal year 2010.

Under its obligations pursuant to the Morgan Property purchase agreement, the Company completed the issuance of the final tranche of shares and made the final cash payment to the vendor.

15. Segmented information

The Company has one operating segment consisting of a mining and milling operation located in Kirkland Lake, Canada. During the periods ended January 31, 2010 and 2009 all of the Company's property, plant and equipment, revenues earned and operations were in Canada.

16. Supplemental cash flow information

Cash and cash equivalents comprise cash on deposit with Canadian chartered banks, lines of credit and treasury bills.

	JANUARY 31	JANUARY 31
	2010	2009
Value assigned to stock options / warrants exercised	\$ 952,267	\$ 14,362
Capital lease	\$ 137,160	\$ -
Purchase of asset under capital lease	\$ (137,160)	\$ -

KIRKLAND LAKE GOLD INC.

Notes to Unaudited Financial Statements

For the three and nine months ended January 31, 2010 and 2009

(expressed in Canadian dollars)

17. Subsequent event

On February 4, 2010 the Company announced it completed a private placement for 3,880,500 units at a price of \$8.25 per unit for gross proceeds of approximately \$32.0 million. Each unit consisted of one common share and one-third of a share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of \$10 until March 4, 2011.

The common shares issued and issuable pursuant to the private placement will be subject to restrictions on their transfer for a period of four months from the date of their issue.