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-The opening of the new 300 man dry at Kirkland Lake Gold's Macassa Mine is another important step forward in the company's expansion plans.

While the company has been extremely successful in finding gold mineralization, much of it high-grade gold, this success also requires a great deal of infrastructure building and improvement to support the workforce required to increase gold production.

A year and one half ago Kirkland Lake Gold employed 230 people at the Macassa Mine in Kirkland Lake and currently they have just over 500 company employees on site and about 100 contract workers.

Kirkland Lake Gold's Chief Operating Officer Mark Tessier said they short about 80 qualified people and he expects that by April next year they will have 700 people employed at Macassa Mine.

In addition to hiring experienced people Tessier said they are also hiring people with no training and then training them and will be hiring partly trained miners. He estimates that Kirkland Lake Gold is still about a year and half away from its current transition period of construction and development to becoming a stable production mine. The company is looking at a potential production rate of 200,000 to 300,000 ounces of gold per year.

As well Tessier said they are now conducting studies to determine the cost of developing infrastructure to increase production above the 300,000 ounces of gold per year.

In the next phase of construction the company will build a new hoist room, install new hoist, finish another dry. Other work includes upgrading the surface paste fill plant, doing work on the offices, improving the warehouse, and putting in a new compressor as well as other projects.

Tessier explained that they now have room for more expansion and that expansion is a long and involved process to take a mine set up for 400 tons a day and increase it to produce 1,400 to 2,500 tons a day.

Over the next few years Tessier said the company will be spending \$30 million a year on expansion.

The COO sees great potential for new discoveries between surface and the 6,000 foot level as well as below the 7,500 foot level. Currently Kirkland Lake gold is mining between the 3,400 foot level and 5,300 foot level

Current plans for the mine project a 14 year mine life with production of 200,000 ounces per year but Tessier said if they can continue to find gold at a rapid rate like they have been he sees the mine having potential to last up to 80 years producing 300,000 ounces of gold per year.

Currently at Macassa, Tessier said, they mine rock at \$250 a ton and the rock is worth about \$480 per ton so it is reasonably good ore and the only challenge is the expansion. He believes when they are able to mine at 1,000 to 1,200 tons a day the mine will be able to cover its operating and capital costs but would still need money for large capital projects. At a mining rate of 700 tons per day the mine is able to cover its operating costs.

When asked about how patient the shareholders are being Tessier said, a lot of the shareholders and board members are European and they look at mining differently than North Americans. He explained they look at the long-term picture rather than wanting results at the end of the quarter and the board has instructed him not to sacrifice long-term goals for short-term profits.

Tessier said they operate differently than a lot of mines because they are trying to build slowly so it is sustainable.