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Symbol – TSX & AIM: KGI

## **Kirkland Lake Gold Reports 3<sup>rd</sup> Quarter Results**

Kirkland Lake Gold Inc. (the “Company”) announces the financial results for the third quarter ended January 31, 2005

### **Overview**

- The Company incurred a loss for the third quarter ended January 31, 2005 (Fiscal 2005) of \$6,331,651 or \$0.14 per share, which includes the expensing of \$1,566,402 in exploration and \$573,879 of non-cash costs incurred during the quarter.
- While an operational loss for the 3<sup>rd</sup> quarter was forecast, the actual loss was higher principally due to an actual grade mined of 0.32 ounces of gold per ton (OPT) versus a forecasted grade of 0.38 OPT. Management and operational changes were introduced to improve grade control, and the Company is seeing the benefit this quarter
- During the quarter, dilution decreased in both the conventional and long hole stopes, productivity per manshift increased and in January exceeded plan. Further, although the labour force remains below planned levels, additional hiring reduced shortages, and the mechanical problems experienced in new equipment were overcome
- Gold revenues of \$6,374,826 (2004- \$3,390,189) were higher on a year over year basis but below forecasted revenues.
- The three year, 1.3 billion gallon mine dewatering program approached completion during the quarter and will be completed this month with the pumps now below the 5700 level. Plans are underway to convert to a normal maintenance pumping system, with significant savings.
- Gold production commenced from the newly discovered D Zone during the quarter with access from both the newly constructed 3400 level as well as the 3800 and will henceforth become an important part of the production profile

“The plan for March and going forward is to become operationally cash break-even and at this point in mid-month, we are ahead of plan in ounces produced for the first time,” said Bob Rodrigue, the Company’s new Chief Financial Officer “Over the several months our plan calls for progressing towards internally funding capital and exploration programs.”

<b>Financial Highlights</b> (all amounts in thousands of Canadian dollars, except per share figures)			
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>January 31</b>	<b>January 31</b>	<b>October 31</b>
	<b>2005</b>	<b>2004</b>	<b>2004</b>
Revenue	6,375	3,390	5,129
Operating Costs	9,703	6,480	9,505
Exploration Expenditure	1,566	1,294	2,908
Net (loss) before unusual item	(6,113)	(5,741)	(8,886)
Per share (basic and diluted)	(0.14)	(0.19)	(0.22)
Cash Flow (used) for operating activities	(7,247)	(5,972)	(7,582)
Net increase (decrease) in cash	(4,113)	6,770	4,547
Cash at end of period	3,574	9,055	7,687
Short Term Investments - unrestricted	10,000	-	-
Total cash and cash equivalents	13,574	9,055	7,687
Total Current Assets	17,526	11,808	11,628
Total Current Liabilities	8,332	7,949	12,322
Working Capital	9,194	3,859	(694)
Weighted average of shares outstanding	43,759,542	30,278,313	40,891,352
<b>Production Highlights</b>			
	<b>3 months ended</b>	<b>3 months ended</b>	<b>3 months ended</b>
	<b>January 31</b>	<b>October 31</b>	<b>July 31</b>
	<b>2005</b>	<b>2004</b>	<b>2004</b>
<b>Tons broken (ore)</b>	<b>32,222</b>	<b>37,003</b>	<b>24,250</b>
<b>Tons broken (waste)</b>	<b>20,377</b>	<b>17,331</b>	<b>25,905</b>
<b>Tons milled</b>	<b>37,936</b>	<b>39,855</b>	<b>27,589</b>
<b>Ozs. produced</b>	<b>11,921</b>	<b>10,531</b>	<b>6,980</b>
<b>Lateral Development (feet)</b>	<b>2,267</b>	<b>2,982</b>	<b>3,246</b>
<b>Raise Development (feet)</b>	<b>634</b>	<b>598</b>	<b>683</b>
<b>Definition Drilling (feet)</b>	<b>27,188</b>	<b>24,616</b>	<b>22,444</b>

Gold sales during the latest fiscal quarter were 11,913 troy ounces with an average gold price of \$528 per ounce as underground production from #3 Shaft continues to increase. This compares with gold sales of 6,416 ounces with an average sales price of \$528 per ounce during the same period of the prior year, and 9,775 ounces at \$525 during the second quarter 2005. During the third quarter of fiscal 2005, negative operating cash flow amounted to \$7,247,469 (2004-negative \$5,972,256), slightly improved over the second quarter, as underground development and stoping activities continue to increase in efforts to raise gold production to positive cash flow levels. Lastly, during the third quarter the Company raised \$14.7 million to fund its operations and exploration activities.

During the third quarter, total capital invested in the Company's operations was \$2,707,772 as compared with \$2,288,564 reported for the same quarter of the prior year. Of the \$2.7 million invested in its operations, \$397,313 (2004-\$1,187,236) was spent on the purchase of equipment, while the remaining \$2,310,459 was invested in developmental projects which included 2,103 feet of lateral development, along with 255 feet of raising. Included is substantial track

development on the 3400 Level, ramp development to access the “D” Zone reserves, and drifting on the 4500 and 4900 Levels.

The third quarter financial statements and accompanying Management Discussion and Analysis (MD&A) are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.londonstockexchange.com/rns](http://www.londonstockexchange.com/rns).

### **Appointment of new Chief Financial Officer**

The Company is pleased to report that, effective March 14, 2005 the Company appointed Bob Rodrigue, as its new Chief Financial Officer. Mr. Rodrigue joined the Company as Controller in December, 2003 and has made a significant contribution in the Company’s system of controls. Prior to his employment with the Company, Mr. Rodrigue has served in senior management accounting positions at a number of large Canadian underground and open pit operations over the last 27 years.

### **About the Company**

Kirkland Lake Gold Inc. is an operating gold mining company located in Kirkland Lake, Ontario, which owns the Macassa Mine and Mill and four contiguous former gold producing properties purchased on December 14, 2001. The Company’s corporate goal is to expand its gold reserves and to become a low cost gold producer. The Company’s shares currently trade on the TSX and on the AIM (Alternative Investment Market) of the London Stock Exchange.

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