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Symbol – TSX & AIM: **KGI**

December 8, 2011

FISCAL 2012 SECOND QUARTER FINANCIAL AND OPERATIONAL RESULTS

Kirkland Lake Gold Inc., ('Kirkland Lake' or the 'Company'), an operating and exploration gold mining company located in Ontario, Canada, announces an operations update and its second quarter financial results for its fiscal 2012 year ended October 31, 2011.

Mr. Harry Dobson, Chairman commented, *"Second quarter production and financial results through end October have seen operations on budget and plan for the first half of fiscal 2012. The mine plan for the year is designed to increase production in the third and fourth fiscal quarters and the annual production target remains between 110,000 to 130,000 of gold. As at end of November, we were slightly ahead of plan in regards of ounces poured and sold."*

Quarterly results continue to indicate progress due to planned increases in production. The target of the Expansion Project remains to reach an average milling rate of 1,600 tons per day by November 2012, and to be substantially complete by the end of April, 2012. Required work to meet these goals was on schedule at the end of the quarter, and the \$75 million budget remains on target, with \$57.3 million spent as at October 31, 2011.

KEY HIGHLIGHTS OF THE QUARTER:

- Net income before taxes was \$11.8 million (\$0.17 per share), compared to \$7.9 million (\$0.11 per share) for the previous quarter (Q1 of fiscal 2012), an increase of 49%.
- Cash flows generated from operating activities were \$13.4 million for the quarter and \$19.7 million year to date (YTD). Cash flows from operations have been positive for seven consecutive quarters.
- A total of 70,054 tons of ore were milled (an increase of 22% from the first quarter) at a head grade of 0.36 ounces of gold per ton (opt) and a recovery of 96.1% to produce 24,478 ounces of gold. YTD 127,554 tons of ore were milled at a head grade of 0.40 opt and a recovery of 96.2% to produce 49,538 ounces of gold.
- The 4% net smelter royalty payable to Kinross Gold Corporation, part of the original purchase price of the Mine, terminated during the quarter as announced on November 9, 2011.
- The Company's workforce grew by an additional 76 people in the quarter to a total of 832 employees. A total of 275 employees will be added in Fiscal Year 2012, of which 147 employees have now been hired.
- Fifteen drills are now active on the property. Underground exploration is targeted on increasing the South Mine Complex (SMC) reserves and resources, while maintaining the Main Mine reserves and resources.
- Surface Exploration in the second quarter included drilling on the main mine properties, as well as more grassroots exploration drilling on other Company properties.

Production following completion of the Expansion Project remains estimated at 180,000 to 200,000 ounces in fiscal 2013 due to an allowance for a ramp-up in production between May 2012 and November 2012. Production guidance for Fiscal Years 2014 to 2016 is estimated at 210,000 to 250,000 ounces per year.

| Financial Highlights <i>(All amounts in 000's of Canadian Dollars, except shares and per share figures)</i> | Three months ended, | | |
|---|----------------------------|---------------------|---------------------|
| | Oct 31, 2011 | Jul 31, 2011 | Oct 31, 2010 |
| Gold Sales (ounces) | 24,762 | 24,178 | 23,392 |
| Average Price (per ounce) | 1,628 | 1,476 | 1,300 |
| Revenue | 40,307 | 35,698 | 30,418 |
| Production Expenses | 23,527 | 24,320 | 20,484 |
| Exploration Expenses | 3,419 | 2,912 | 1,792 |
| Net Income before Income Taxes | 11,785 | 7,934 | 7,674 |
| Net and Comprehensive Income | 9,264 | 22,180 | 8,575 |
| Cash Flow from operating activities | 13,421 | 6,223 | 16,046 |
| Cash Flow from (used in) financing activities | 1,031 | 344 | 2,379 |
| Cash Flow used in investing activities | (15,941) | (17,499) | (5,635) |
| Net increase (decrease) in cash | (1,449) | (10,932) | 12,790 |
| Total cash resources | 38,386 | 40,292 | 51,509 |
| Other Current Assets | 18,888 | 14,983 | 10,684 |
| Current Liabilities | 20,003 | 19,131 | 17,046 |
| Working Capital | 37,721 | 36,143 | 45,147 |
| Total Assets | 245,400 | 230,712 | 179,809 |
| Total Liabilities | 24,442 | 23,384 | 20,367 |
| Weighted average number of shares outstanding | 69,867,941 | 69,805,611 | 67,763,116 |
| Dividends per share | NIL | NIL | NIL |

About the Company

The Company purchased the Macassa Mine and the 1,450 ton per day mill along with four former producing gold properties – Kirkland Lake, Teck-Hughes, Lake Shore and Wright Hargreaves – in December 2001. These properties, which have historically produced approximately 22 million ounces of gold, extend over seven kilometres between the Macassa Mine to the west and Wright Hargreaves to the east and, for the first time, are being developed and explored under one owner. This camp is located in the Southern Abitibi Greenstone Belt of Kirkland Lake, Ontario, Canada.

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