



**P.O. Box 370
KIRKLAND LAKE, ON, P2N 3J7**

Symbol – TSX & AIM: **KGI**

17 December, 2008

Update on South Mine Complex Development

Kirkland Lake Gold Inc. (“Kirkland Lake” or the “Company”), announces today that, after a review of the proposed development plan, the Company has decided to carry out the development of the South Mine Complex Project (SMC or the “Project”) at its mine in Kirkland Lake, Ontario, with its own Company employed workforce rather than using external resources as previously announced on 29th October 2008.

Brian Hinchcliffe, CEO, explained “Increasing production levels, particularly from the high grade SMC remains a priority for us. When we first committed to this Project, skilled underground labour was in high demand, and we planned to utilise outside mining contractors to provide a workforce in that environment. Today, skilled underground labour has become much more available, and a lower cost development program can be carried out by expanding our own workforce. This project will be led by our own core group of staff and workers who already have a strong base of knowledge and experience with the Mine and the Project”.

The Project is expected to result in an increase of gold production to more than 100,000 ounces per year and this production rate is anticipated to be achieved by March, 2009 . The Project will not be complete until July, 2010. Further news regarding this development will be announced in January upon completion of the detailed mine plan.

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