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Symbol - TSX & AIM: KGI

**FINANCIAL RESULTS Q3 2011:
EXPLORATION PROGRAM ACTIVITY INCREASES &
MINE EXPANSION ON TRACK FOR 180,000 - 200,000 OUNCE ANNUAL RUN RATE BY
NOVEMBER 2011**

Kirkland Lake Gold Inc. ('Kirkland Lake Gold' or the 'Company'), an operating and exploration gold mining company located in Ontario, Canada, announces its third quarter fiscal 2011 results for the three months ended January 31, 2011. All amounts are in Canadian dollars unless otherwise noted.

Mr. Harry Dobson, Chairman, commented, "The third quarter has not been without its challenges with slightly lower than anticipated grades and difficult choices being made affecting short term production to ensure we remain on track to achieve the target rate of production by November 2011. After meeting all operating costs, spending \$16.0 million on capital expenditures and \$2.7 million on exploration, total cash resources (including short-term investments) as at January 31, 2011 were \$47.4 million."

KEY HIGHLIGHTS:

- 20,231 ounces of gold were produced in the quarter - 58,394 ounces year to date; a record year to date production figure for the Company.
- Net income for the quarter was \$4.2 million or \$0.06 per share, and this was reduced by \$1.0 million due to higher exploration spending.
- Cash flow generated from operating activities during the quarter was \$6.2 million.
- The year to date head grade of 0.397 ounces per ton is higher than the budgeted grade of 0.382 ounces per ton, and very close to the long term average head grade target of 0.4 ounces per ton.
- Operating costs in Q3 2011 decreased to \$258 per ton (\$743 per ounce) from \$365 per ton (\$809 per ounce) in Q2 2011; total cash costs also decreased to \$275 per ton (\$794 per ounce) from \$390 per ton (\$866 per ounce) in Q2 2011.
- Year to date operating costs of \$44.3 million are lower than budgeted (\$50.2 million).
- The number of ore mining faces available for production was maintained at 28 while the number of ore mining faces in the development and planning stages increased from 23 to 26.
- A record mill throughput of 635 tons of ore per day was achieved.
- The total workforce increased by 48 to 648 employees.

DETAILS OF THE THIRD QUARTER

Mine Expansion and Production

- A total of 20,231 ounces of gold were produced in the quarter, which was lower than that targeted and lower than that required to reach the Company's production target for the year of 90,000 to 100,000 ounces. This was due to a decision taken during the quarter to reduce support for near term production activities due to hoisting constraints in order to allow other higher priority longer term activities to continue.
- The quarterly head grade of 0.362 ounces of gold per ton ("opt") was also lower than expected. In some mining areas, lower grade ore was unexpectedly encountered along with the known higher grade ore, resulting in a blended grade being mined. This is a very common occurrence in this

type of gold deposit, and is the main reason that the Company's long term plans are based on an average long term head grade of approximately 0.4 opt despite a blended reserve and resource grade of over 0.5 opt. The year to date head grade of 0.397 opt is very close to target and slightly higher than the budgeted head grade of 0.382 opt. The higher than expected gold price has reduced cut off grades in most areas to below those budgeted.

- Work to increase the hoisting capacity of the No. 3 Shaft continued in the quarter. The new service hoist was commissioned by the end of January after electrical design problems related to uneven input voltages were overcome. The working platform required to complete final headframe work and carry out shaft upgrades was also installed by the end of the quarter. A decision was made in the quarter to move forward and complete some shaft electrical and shaft air line installations utilizing the working platform rather than the new cage due to better working conditions. As a result, installation of the new cage is now targeted for June 2011. Shaft upgrade work continued in the quarter focused primarily on the headframe and the shaft services compartment and the shaft stations and loading pockets. However, this work was based on the existing conveyances rather than the new hoist and working platform and contributed significantly to the shaft overload. Shaft crews were also utilized on other shaft maintenance work that was brought forward because of the delay. This work also utilized the existing conveyances.
- Excavation of the truck loading chutes and stations below the 5300 Level and the underground haulage ramp between the No. 3 Shaft and the South Mine Complex (SMC) mining area continued.

Exploration

- More diamond drills moved to a seven day per week operating schedule as the contractor added drillers to the workforce as requested by the Company. Exploration expenses increased by \$1.0 million over the previous quarter.
- An exploration drift has been advanced to the edge of the Amalgamated Kirkland - Queenston joint venture property of the Company and Queenston Mining Inc. in preparation for driving a drift onto that property in order to establish a central diamond drilling station in the second quarter (Q2) of fiscal 2012. The Company is awaiting authorization from the Ministry of Northern Development, Mines, and Forests to proceed with this development.

Financial Results

- Net income for the third quarter (Q3) ended January 31, 2011 was \$4.2 million or \$0.06 per share, which compares to a net income of \$8.6 million for the previous quarter (Q2) of fiscal 2011, and a restated net loss of \$4.9 million for Q3 of fiscal 2010.
- Operating costs were \$258 per ton (\$743 per ounce), compared with \$365 per ton (\$809 per ounce) in the prior quarter, and \$306 per ton (\$900 per ounce) in Q3 of fiscal 2010. Total cash costs were \$275 per ton (\$794 per ounce), compared to \$390 per ton (\$866 per ounce) in the prior quarter and \$316 per ton (\$930 per ounce) in Q3 of fiscal 2010. The Company's target is to reduce the operating costs to less than \$250 per ton by upgrading mine infrastructure and increasing production.
- Cash flows generated from operating activities were \$6.2 million in Q3 of fiscal 2011 compared to \$16.0 million in Q2 of fiscal 2011 and a use of \$6.3 million in Q3 of fiscal 2010.
- Gold poured in the quarter was 18,331 ounces, which compares to 23,419 ounces for the previous quarter and 5,817 ounces for the same period in the previous fiscal year.

- After meeting all operating costs, spending \$16.0 million on capital and \$2.7 million on exploration, total cash resources (including short-term investments) as at January 31, 2011 were \$47.4 million. As at March 14, 2011 this number had increased to \$51.0 million.

Health and Safety

- The Company completed calendar year 2010 with the lowest accident frequency in the Province of Ontario in the Large Mines category.

OUTLOOK

The production forecast for fiscal 2011 has been reduced to 80,000 to 85,000 ounces of gold because of the issues outlined above. Higher grades are expected in the fourth quarter and attaining those higher grades is essential to meeting this forecast.

The Company's expansion activities will continue to take priority, and the available resources will be managed accordingly. The tonnage of ore to be hoisted and mined will be managed to meet these targets, provided higher priority activities are not hindered. The Company will continue to prioritize the work and investment required to meet our goals of attaining five million ounces in total gold reserves and resources and of reaching a profitable production rate of 180,000 to 200,000 ounces of gold per year by November 2011.

The expected completion date of the current expansion project remains November 2011, and that is the first month in the current plan in which production is expected to exceed the 1,200 ton per day threshold. The Company is currently reviewing its plans as part of the 2012 fiscal year budgeting exercise, but that target date still appears feasible with some re-arrangement of activities and schedules. Production is planned to be in the range between 1,200 to 1,400 tons of ore per day after November 2011. Planning and engineering studies related to a potential further production expansion will continue with no decision expected until the latter part of fiscal year 2012.

There are some risks to the expansion project timeline that the Company will attempt to manage, but which are not totally within its control. These include risks related to:

- 1) late delivery of equipment from suppliers;
- 2) delays in commissioning equipment due to problems experienced by suppliers or outside installers; and
- 3) recruiting and retaining skilled labour as activity in the mining industry continues to pick up and competition for skilled, experienced, and qualified workers and staff increases.

These issues may or may not act to extend the expansion project timeline, but they will not affect the ultimate completion of the project. The near term impact of these problems to date has been to reduce production while slowing overall spending and lowering operating costs.

"Despite the delays with our hoisting capacity project resulting in our annual guidance being reduced to 80,000 to 85,000 ounces, the long term plan of reaching a profitable production rate of 180,000 to 200,000 ounces remains the Company's higher priority and is on track to be completed by November 2011. Fiscal 2012 production guidance is forecast to be 120,000 to 140,000 ounces of gold," concluded Mr. Dobson.

SELECTED FINANCIAL INFORMATION & REVIEW OF OVERALL PERFORMANCE

Financial Highlights <i>(All amounts in 000's of Canadian Dollars, except shares and per share figures)</i>	Three months ended,		
	Jan 31, 2011	Oct 31, 2010	Jan 31, 2010 (restated)
Gold Sales (ounces)	18,280	23,392	5,803
Average Price (per ounce)	1,391	1,300	1,064
Revenue	25,426	30,418	6,177
Operating Expenses	17,998	20,536	8,977
Exploration Expenditure	2,709	1,792	1,261
Net Income (loss)	4,206	8,565	(4,896)
Per share (basic and diluted)	0.06	0.13	(0.08)
Cash Flow from (used in) operating activities	6,169	16,046	(6,292)
Cash Flow from financing activities	5,655	2,379	817
Cash Flow from (used in) investing activities	(953)	(5,635)	11,184
Net increase in cash	10,871	12,790	5,709
Cash at end of period	37,033	26,162	10,198
Short-term investments	10,381	25,347	25,228
Total cash resources	47,415	51,509	35,427
Total Assets	191,675	179,809	128,848
Total Liabilities	22,340	20,367	13,740
Working Capital	41,049	45,147	34,291
Weighted average number of shares outstanding	68,116,420	67,763,116	63,415,452
Dividends per share	NIL	NIL	NIL

About Kirkland Lake Gold Inc.

Kirkland Lake Gold Inc. is an operating and exploration gold mining company located in Ontario, Canada. It purchased the Macassa Mine and the 1,500 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 some 22 million ounces of gold, extend over seven kilometres between the Macassa Mine on the west and Wright Hargreaves on 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. The Company's corporate goal is to expand its gold reserves and reduce its operating costs to become a profitable gold producer.

The Company's common shares trade on the TSX (Toronto Stock Exchange) and on the AIM (Alternative Investment Market) of the London Stock Exchange.

The Company's senior management and Board of Directors have extensive experience in the natural resource and mining sectors that include exploration, mining and marketing, as well as experience in the legal and corporate finance areas.

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