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Symbol – TSX & AIM: **KGI**

First Quarter Results; Substantial Development of Upper D Zone and Completion of New Infrastructure

Kirkland Lake Gold Inc. (the “Company”) announces the financial results for its first quarter of its 2006 fiscal year, which started May 1, 2005 and ended July 31st, 2005.

Overview

- During the quarter, operations processed 28,970 tons of ore grading 0.40 ounces of gold per ton for total production of 11,425 recovered ounces of gold versus a forecast of 18,833 ounces of gold. Operating revenue for the quarter based on ounces produced was \$6,043,825 using a gold price of C\$529 per ounce (versus gold sales for the quarter of \$7,380,079) and operating costs were \$10,460,405. In the quarter the Company spent \$1,222,788 in exploration which was expensed and is included in the loss of \$5,402,213 for the first quarter (\$0.12 per share).
- Despite acute mechanical problems (including captive equipment), excessive dilution decreasing the average gold grade, and productivity shortfalls which hampered ore and gold production during the first quarter of the fiscal year 2006 the KLG mill processed an average grade of 0.40 ounces of gold per ton, compared to 0.53 ounces of gold per ton during the last quarter of FY-2005. The percentage of total milled tonnage from development sources was 37%, a significant increase from the 21% of the last quarter of FY-2005. Steps taken during the quarter to address these problems included:
 - a) Development of a Preventive Maintenance Policy and a “go and fix” initiative to cope with the above average amount of breakdowns of the new mining equipment. The previous year’s program of increased underground mechanization (which included the design and development of customized equipment for drilling) was completed and all the required equipment is now in place.
 - b) The Company’s Department of Geology has worked out a system of close cooperation with the production crews, targeting areas where dilution above plan can develop. This system includes intensive beat geologist participation during all working shifts, better and more detailed wire framing of the ore blocks, increased senior geologist visits to the more important production work places.
 - c) Due to the consistent non-availability of suitably-qualified manpower, the Company continues with its 10 week training programs, developing apprentice miners from qualified local recruits - a critical factor in attracting and retaining a productive mining workforce.

- d) The Company is preparing a revised bonus system, designed to generate increase production at lower costs as well as to provide increased earnings potentially, resulting in higher productivity, improved safety, and lower turnover.
- During the quarter, the Company's operations improved in several important areas:
 - a) The Company completed the development of four new mining faces in the Upper D Zone South, instead of three planned for the 1st quarter, allowing for the production of in excess of 2,000 tons per month. The Upper D Zone is an above average grade area which can be mined at low costs. This achievement also allows the Company to create the basis for further development of new ore blocks in the Upper D Zone South and in the Upper D Zone North.
 - b) The #2 Shaft "High Density Hydraulic Fill" system was completed, with commissioning scheduled for the second quarter of FY-2006, allowing the Company to mine several important ore blocks previously developed, with the consequent extra tonnage resulting in lower costs.
 - c) The Company continued work on the all-important 5725 foot Loading Pocket in order to commission it in early October, 2005 to enable the Company to place several richer ore zones into production on two significant mining levels (5150 foot & 5300 foot), where development is very advanced. On both mining levels, Long Hole can be utilized with corresponding lower costs and higher productivity.

Details of First Quarter FY- 2006 Results

"With the development of increasing numbers of production headings, particularly on the Upper D Zone South, lower costs and higher production will ensue. As well, the advancement of increased hoisting capacity at #3 Shaft and of hydraulic filling capability at #2 Shaft, mark a dramatic enhancement of the Company's ability to increase production at lower costs" said Brian Hinchcliffe, the Company's CEO. "The ability to produce from new work places and have ore hoisted from two loading pockets give to the operation a higher degree of flexibility to meet larger production goals"

The Company incurred a loss for the quarter ended July 31, 2005 (Fiscal 2006) of \$ 5,402,213 or \$0.12 per share, which compares with a loss of \$0.25 per share or a loss of \$9,031,182 for the same period fiscal 2004.

Gold revenues were higher on a year over year basis at \$7,393,952 (2004 - \$3,591,536) Operating costs incurred in the quarter of \$10,460,405 (including \$1,320,742 as a result of costs associated with a decreased bullion inventory) compares to operating costs of \$ 9,368,682 incurred during the same period in 2004. The Company continued an active exploration program with exploration expenditures of \$1,222,788 being expensed in the latest quarter, as compared with \$1,717,198 reported for the same period of the prior year. A total of \$ 0.7 million of \$ 3.0 million raised through flow through shares in late 2004 has been expended on eligible exploration expenditures.

Over the past four quarters, there has been continued overall improvement in production revenues on a quarter over quarter basis (2nd. Qtr., 2004 - \$ 5,129,390), (3rd. Qtr., 2004 - \$ 6,374,826), (4th. Qtr. 2004 - \$ 7,060,353), and the latest quarter being \$ 7,393,952.

Financial Highlights *		
	3 months ended	3 months ended
	July 31, 2005	July 31, 2004
	('000's \$)	('000's \$)
Revenue	7,394	3,592
Operating Costs	10,460	9,369
Exploration Expenditure	1,223	1,717
Net (loss) before unusual item	(5,402)	(9,031)
Per share (basic and diluted)	(0.12)	(0.25)
Cash Flow (used) for operating activities	(2,029)	(7,751)
Net increase (decrease) in cash	(4,032)	(8,580)
Cash at end of period	2,401	3,140
Short Term Investments –unrestricted	2,200	-
Total cash and cash equivalents	4,601	3,140
Total Current Assets	8,259	20,474
Total Current Liabilities	10,932	11,441
Working Capital	(2,673)	9,033
Weighted average of shares outstanding	45,516,828	36,749,310

* All amounts in thousands of Canadian dollars, except the shares figure.

The 1st quarter FY-2006 financial statements and Management's Discussion and Analysis are available on SEDAR at www.sedar.com.

About the Company

The Company purchased the Macassa Mine and the 1,500 ton per day mill along with four former producing gold properties – Kirkland Lake Gold, 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 east and Wright Hargreaves on the west and for the first time are being developed and explored under one owner. This camp is located in the Abitibi Southern Greenstone Belt of Kirkland Lake, Ontario, Canada.

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