

# GOING FOR GOLD IN EVERYTHING WE DO

Third Quarter 2019 Conference Call & Webcast | November 6, 2019



KIRKLAND LAKE GOLD

# FORWARD-LOOKING INFORMATION

## Cautionary Note Regarding Forward-Looking Information

*The information in this presentation has been prepared as at May 7, 2019. This presentation contains “forward looking statements” and “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Kirkland Lake Gold with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and include information regarding: (i) the amount of future production over any period; (ii) assumptions relating to revenues, operating cash flow and other revenue metrics set out in the Company’s disclosure materials; and (iii) future exploration plans.*

*Investors are cautioned that forward-looking information is not based on historical facts but instead reflect Kirkland Lake Gold’s management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Kirkland Lake Gold believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the future development and growth potential of the Canadian and Australian operations; the future exploration activities planned at the Canadian and Australian operations and anticipated effects thereof; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; and compliance with extensive government regulation. Exploration results that include geophysics, sampling, and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classed as a category of mineral resource. A mineral resource that is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves. This forward-looking information may be affected by risks and uncertainties in the business of Kirkland Lake Gold and market conditions. This information is qualified in its entirety by cautionary statements and risk factor disclosure contained in filings made by Kirkland Lake Gold, including its annual information form, financial statements and related MD&A for the financial year ended December 31, 2018, which are filed with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com).*

*Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Kirkland Lake Gold has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Kirkland Lake Gold does not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.*

*All dollar amounts in this presentation are expressed in U.S. dollars except as otherwise noted. For further details of Kirkland Lake Gold’s Q3 2019 production results, please see the Company’s press release dated October 9, 2019. For further information on the Company’s 2019 guidance and three-year production guidance, including the assumptions and qualifications made, please see the Company’s press releases dated December 11, 2018, February 21, 2019, May 7, 2019 and July 30, 2019.*

## Use of Non-IFRS Measures

*This Presentation refers to average realized price, operating costs, operating costs per ounce sold, all-in sustaining cost (“AISC”) per ounce of gold sold, free cash flow, sustaining capital expenditures and growth capital expenditure because certain readers may use this information to assess the Company’s performance and also to determine the Company’s ability to generate cash flow and meet its expenditure requirements. This data is furnished to provide additional information and are non-IFRS measures and do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”). These measures should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of operating costs presented under IFRS. Refer to each Company’s most recent MD&A for a reconciliation of these measures. The most comparable IFRS Measure for operating cash costs, operating cash costs per ounce sold and AISC per ounce sold is production costs as presented in the Consolidated Statements of Operations and Comprehensive Income, while total additions and construction in progress are the most comparable measures for sustaining and growth capital expenditures.*

# Q3 2019 RECORD EARNINGS & CASH FLOW

- Production: 248.4 kozs
- Low unit costs: op. cash costs \$287/oz<sup>1</sup>, AISC \$562/oz<sup>1</sup>
- Net earnings of \$176.6 million (\$0.84/share)
- Strong operating cash flow of \$316.8 million, free cash flow of \$181.3 million
- Building financial strength while internally funding growth project
  - Cash increased \$146.4 million or 31% to \$615.8 million

1. See Non-IFRS Measures section in forward-looking statements slide

2. Before changes in working capital



# YTD 2019 RECORD NINE-MONTHS

- Production: 694.9 kozs
- Op. cash costs \$296/oz<sup>1</sup>, record AISC \$584/oz<sup>1</sup>
- Net earnings of \$390.9 million (\$1.86/share)
  - Adjusted net earnings \$394.3 million (\$1.88/share)
- Operating cash flow of \$672.3 million
- Free cash flow<sup>1</sup> totalling \$330.2 million
- Strong growth in cash position
  - Cash increased \$283.6 million or 85%

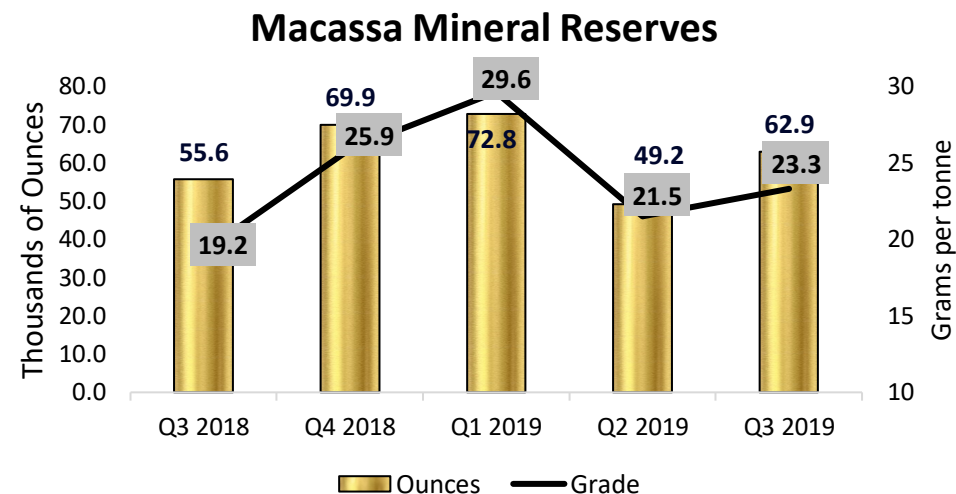
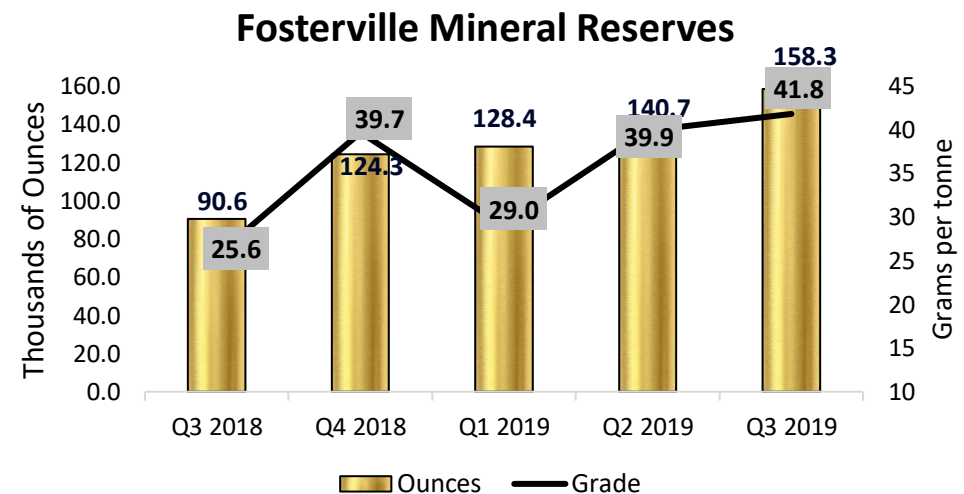
# FOSTERVILLE & MACASSA IN Q3 2019

## Fosterville

- Record production: 158.3 kozs (+67.7 kozs from Q3 2018)
- Op. cash costs \$115/oz<sup>1</sup>, record AISC \$296/oz<sup>1</sup>
- Earnings from operations of \$199.5 million

## Macassa

- Production: 62.9 kozs (13% increase from Q3 2018)
- Op. cash costs \$425/oz<sup>1</sup>, record AISC \$689/oz<sup>1</sup>
- Earnings from operations of \$50.2 million



# YTD 2019 PERFORMANCE AGAINST GUIDANCE

	Macassa	Holt Complex	Fosterville	2019 Guidance	YTD 2019 Actuals
Production – 2019 guidance (kozs)	240 – 250	120 – 130	570 – 610	950 – 1,000	
Production – YTD 2019 (ozs)	184.9	82.5	427.5		694.9
Op. cash costs (\$/oz) <sup>1</sup>	\$400 – \$420	\$920 – \$940	\$130 – \$150	\$285 – \$305	
Op. cash costs – YTD 2019 (\$/oz) <sup>1</sup>	\$397	\$948	\$126		\$296

\$ million unless otherwise states	2019 Guidance	YTD 2019 Actuals
AISC (\$/oz) <sup>1</sup>	\$520 – \$560	\$584
Operating cash costs <sup>1</sup>	\$290 – \$300	\$207.3
Royalty expense	\$30 – \$35	\$25.4
Sustaining capital <sup>1</sup>	\$170 – \$190	\$140.0
Growth capital <sup>1</sup>	\$175 – \$185	\$137.1
Exploration	\$120 – \$140	\$115.9
Corporate G & A <sup>2</sup>	\$30 – \$35	\$26.3

## Q4 2019 Outlook

- Production at Fosterville to increase
- Unit costs to improve
- Holt Complex production to increase, costs to improve
- Macassa and Fosterville on track to achieve guidance
- Capex/exploration expenditure guidance increased

1. See Non-IFRS Measures section in forward-looking statements slide

2. Includes general and administrative costs and severance payments. Excludes non-cash share-based payment expense

# INCREASING DIVIDEND

KL QUARTERLY DIVIDEND (\$ PER SHARE)

## Background on KL Quarterly Dividend

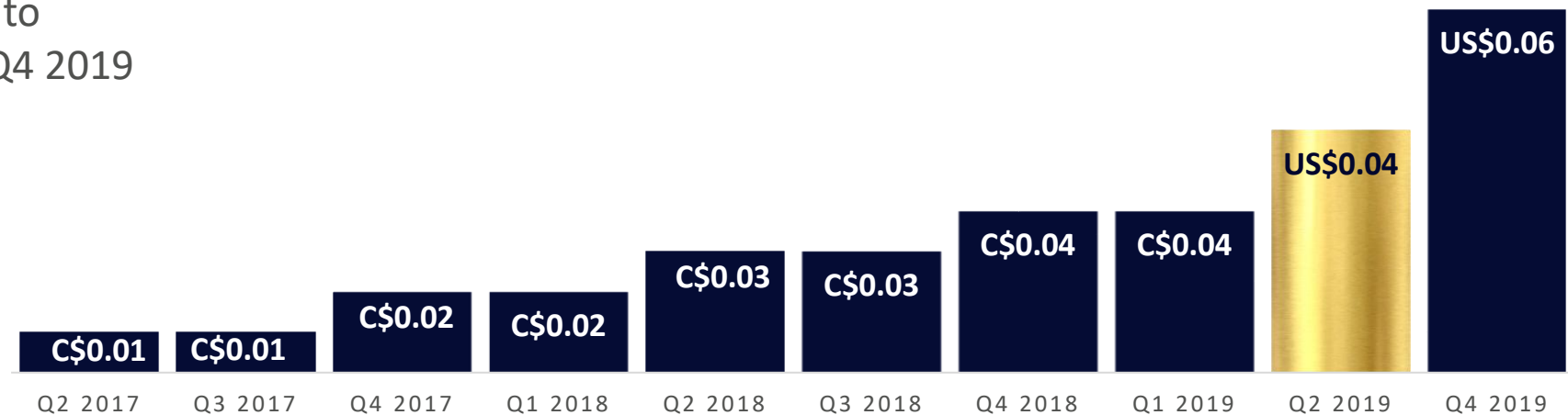
Dividend policy adopted Mar. 2017

First payment C\$0.01/share Q2 2017

Five dividend increases to date

50% increase to dividend to  
US\$0.06/share effective Q4 2019

**50% increase in dividend  
effective Q4 2019**



# Q3 2019 RECORD NET EARNINGS

## Key Drivers of Q3 2019 Earnings vs. Q3 2018 & Q2 2019

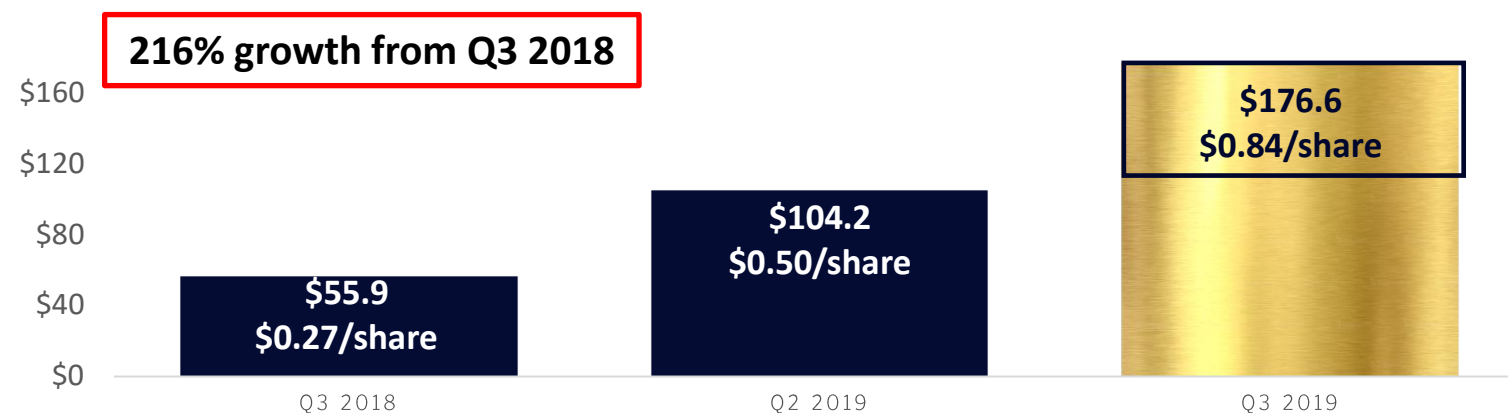
Strong revenue growth

Improved unit cost

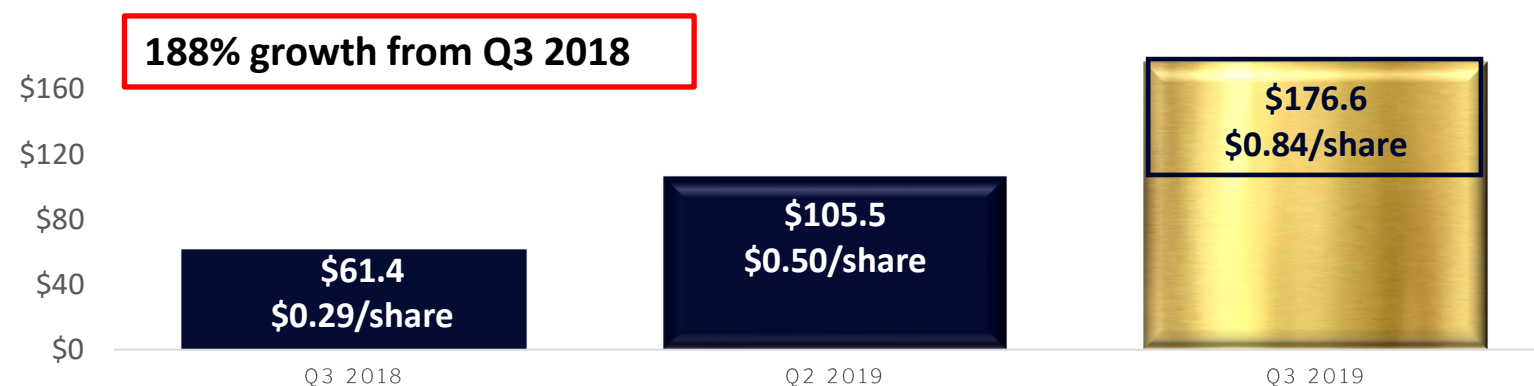
Impact of \$13.7M F/X gain

Lower expensed exploration costs  
versus Q3 2018

## Q3 2019 NET EARNINGS (\$ MILLIONS)



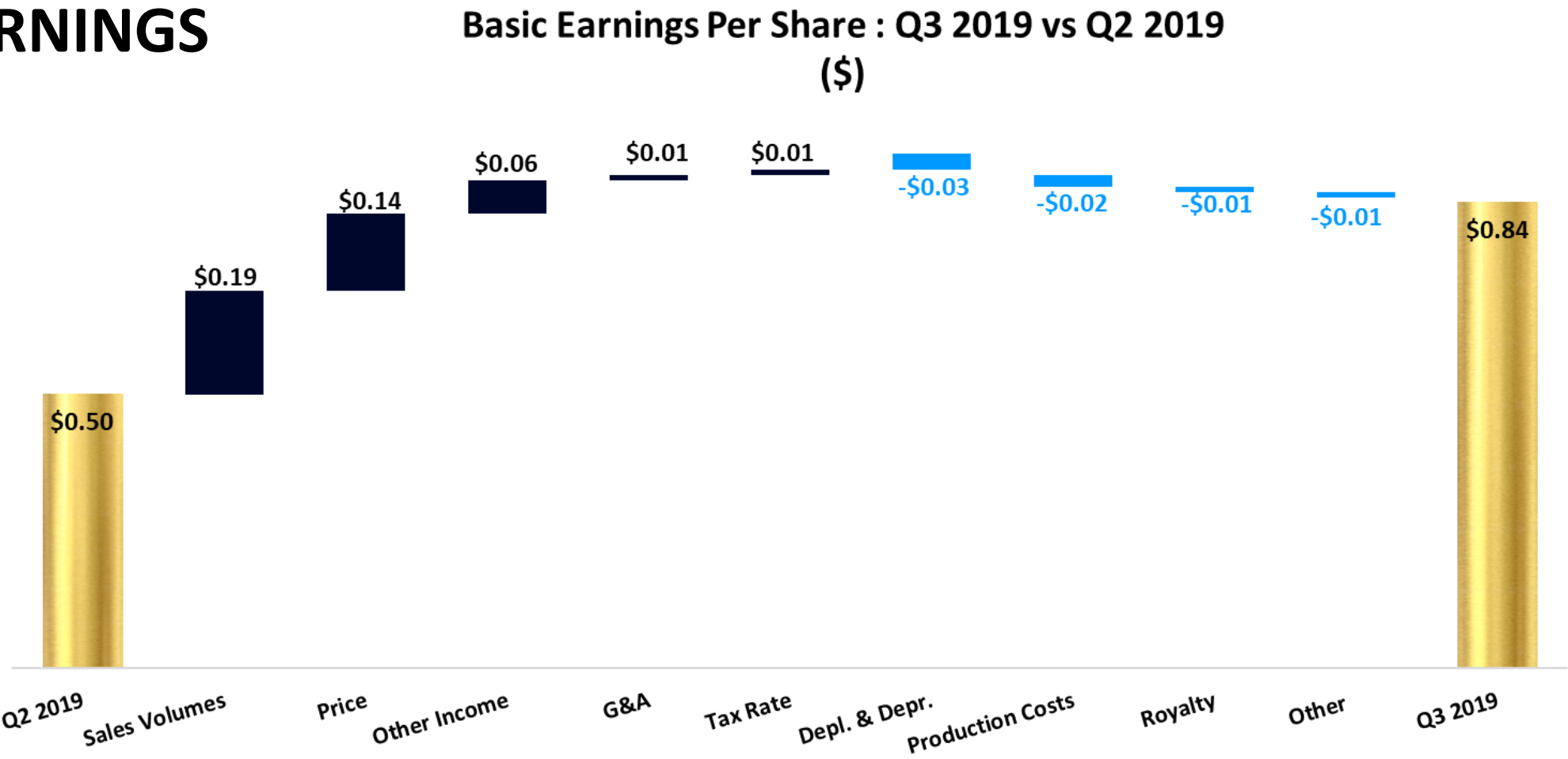
## Q3 2019 ADJUSTED NET EARNINGS (\$ MILLIONS) <sup>1</sup>



1. See Non-IFRS Measures section in forward-looking statements slide



# Q3 2019 RECORD NET EARNINGS



1. See Non-IFRS Measures section in forward-looking statements slide

# Q3 2019 REVENUE

CONSOLIDATED REVENUE (\$ millions)

71% growth from Q3 2018



Factors Driving Revenue Growth vs Q3 2018

Volume impact: +\$86M

Rate impact: +\$71M

Factors Driving Revenue Growth vs Q2 2019

Volume impact: +\$58M

Rate impact: +\$42M

	Q3 2018		Q2 2019		Q3 2019
Gold sales (kozs)	184.5		212.1		248.4
Gold price (\$/oz)	1,204		1,320		1,482

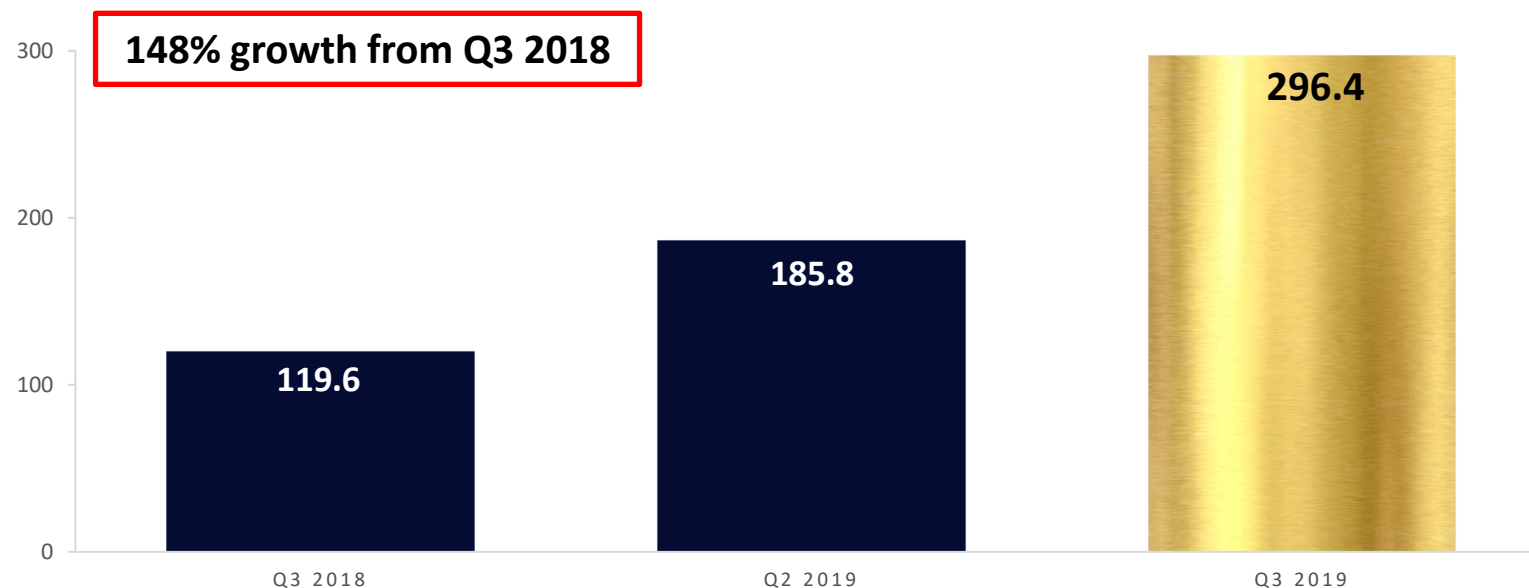
# Q3 2019 EBITDA<sup>1</sup>

Q3 2019 EBITDA vs Q3 2018 & Q2 2019

148% increase from Q3 2018

Driven by net earnings growth

EBITDA<sup>1</sup> (\$ MILLIONS)



	Q3 2018		Q2 2019		Q3 2019
Net earnings	55.9		104.2		176.6
Finance costs	0.7		0.3		0.6
Depletion and depreciation	35.9		33.1		41.7
Current income taxes	8.0		35.3		50.9
Deferred income taxes	19.1		12.9		26.6
<b>EBITDA</b>	<b>\$119.6</b>		<b>\$185.8</b>		<b>\$296.4</b>

1. See Non-IFRS Measures section in forward-looking statements slide.

# YTD 2019 RECORD NET EARNINGS

## Factors Driving Change from YTD 2018

Revenue growth of 52%

Improved unit costs

Reduced expensed exploration

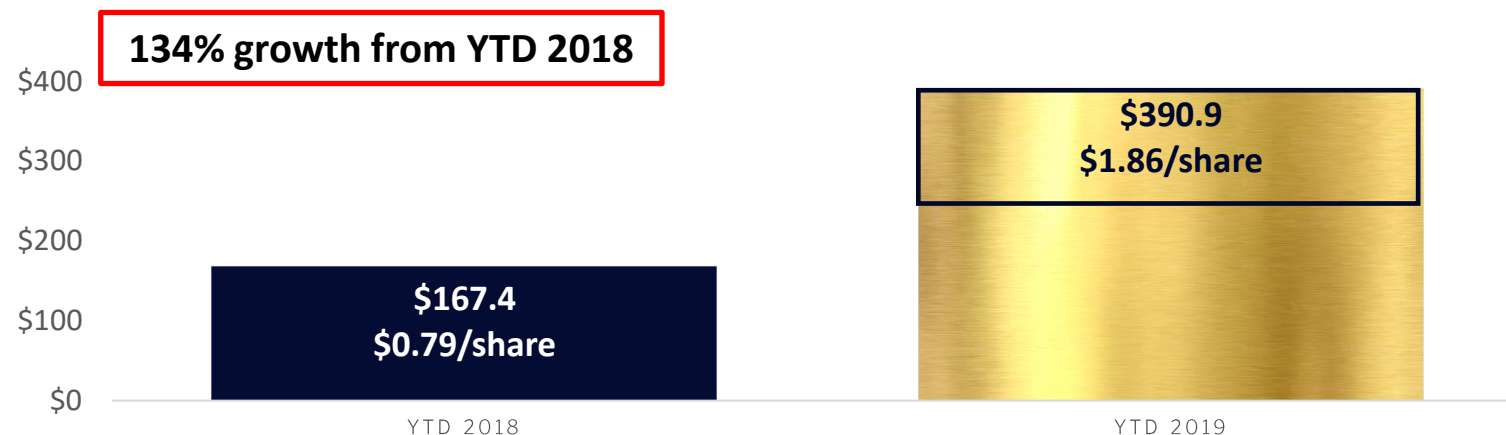
More than offset:

Higher depletion &  
depreciation

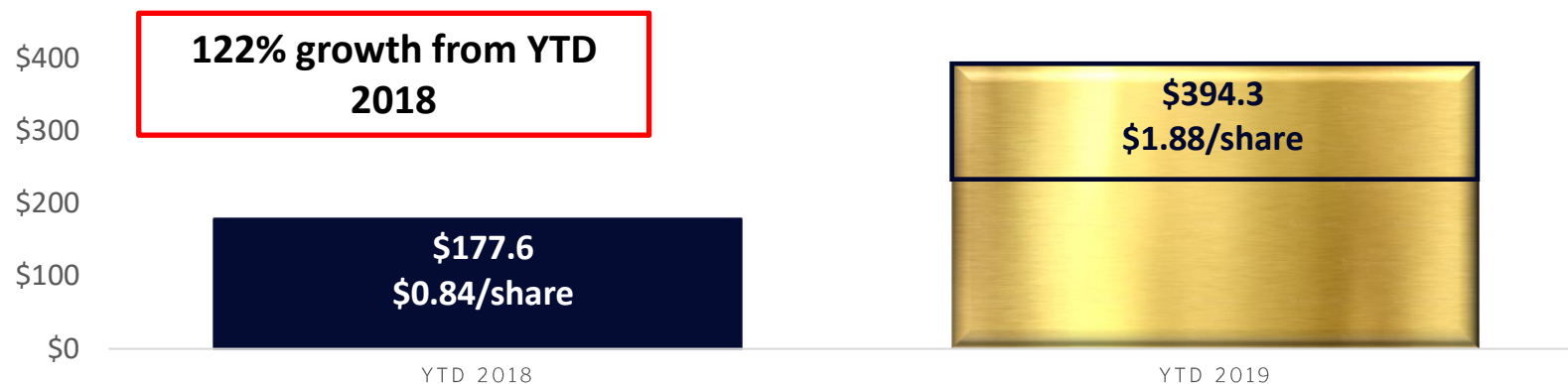
Increased corp. G&A

YTD 2019 EBITDA doubled year over  
year to \$683.8M

## YTD 2019 NET EARNINGS (\$ MILLIONS)



## YTD 2019 ADJUSTED NET EARNINGS (\$ MILLIONS) <sup>1</sup>

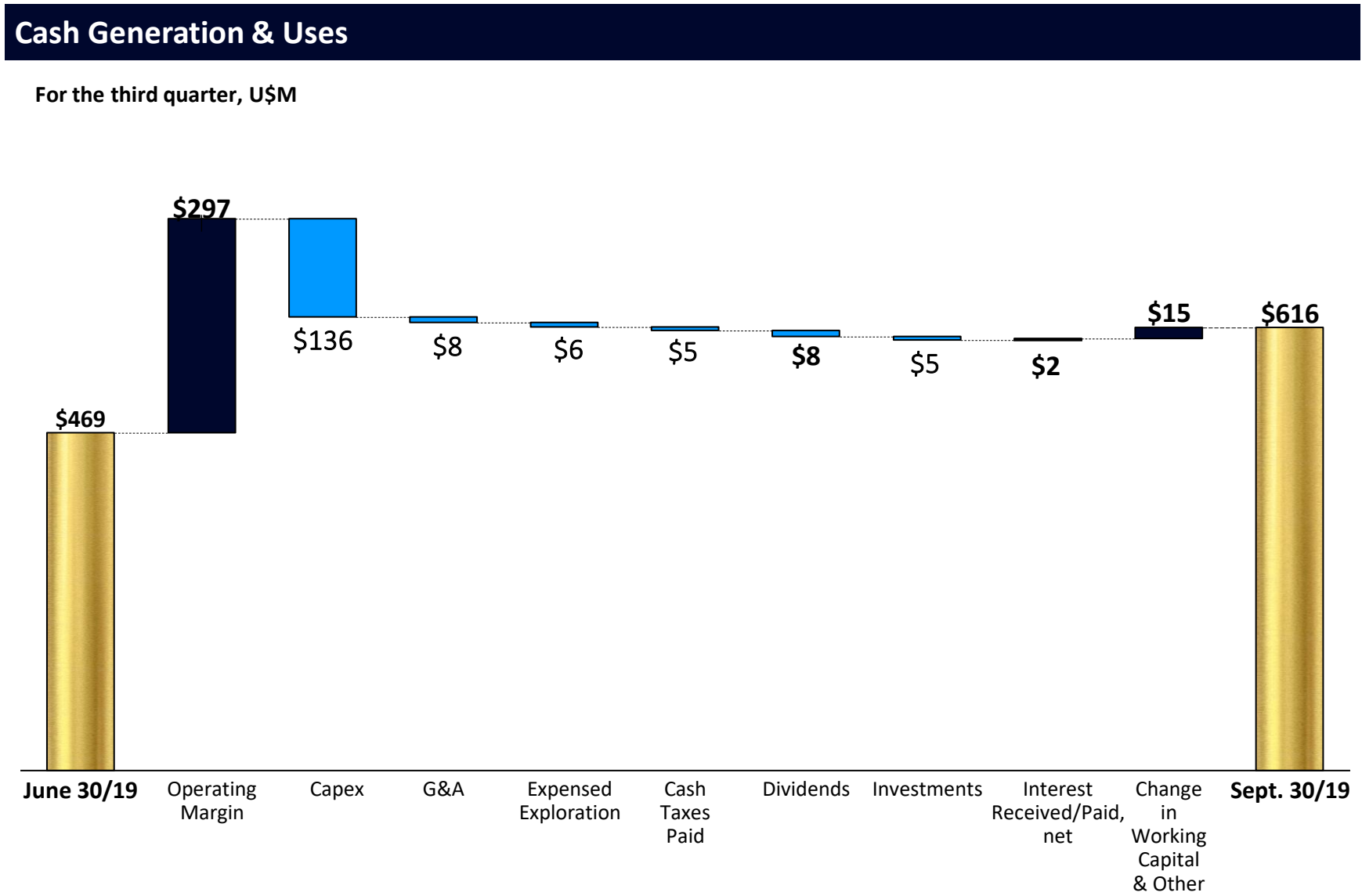


1. See Non-IFRS Measures section in forward-looking statements slide



# CASH POSITION

CASH POSITION AT SEPTEMBER 30, 2019 (\$ millions)



# FOSTERVILLE MINE RECORD PRODUCTION IN Q3 2019

## Q3 2019 Production

158.3kozs (75% growth from Q3 2018, 13% higher than 140.7 kozo in Q2 2019)

## Strong Unit Cost Performance in Q2 2019

Op. cash costs: \$115<sup>1</sup>/oz; AISC: \$289/oz<sup>1</sup>

## Q3 2019 Capital Expenditures

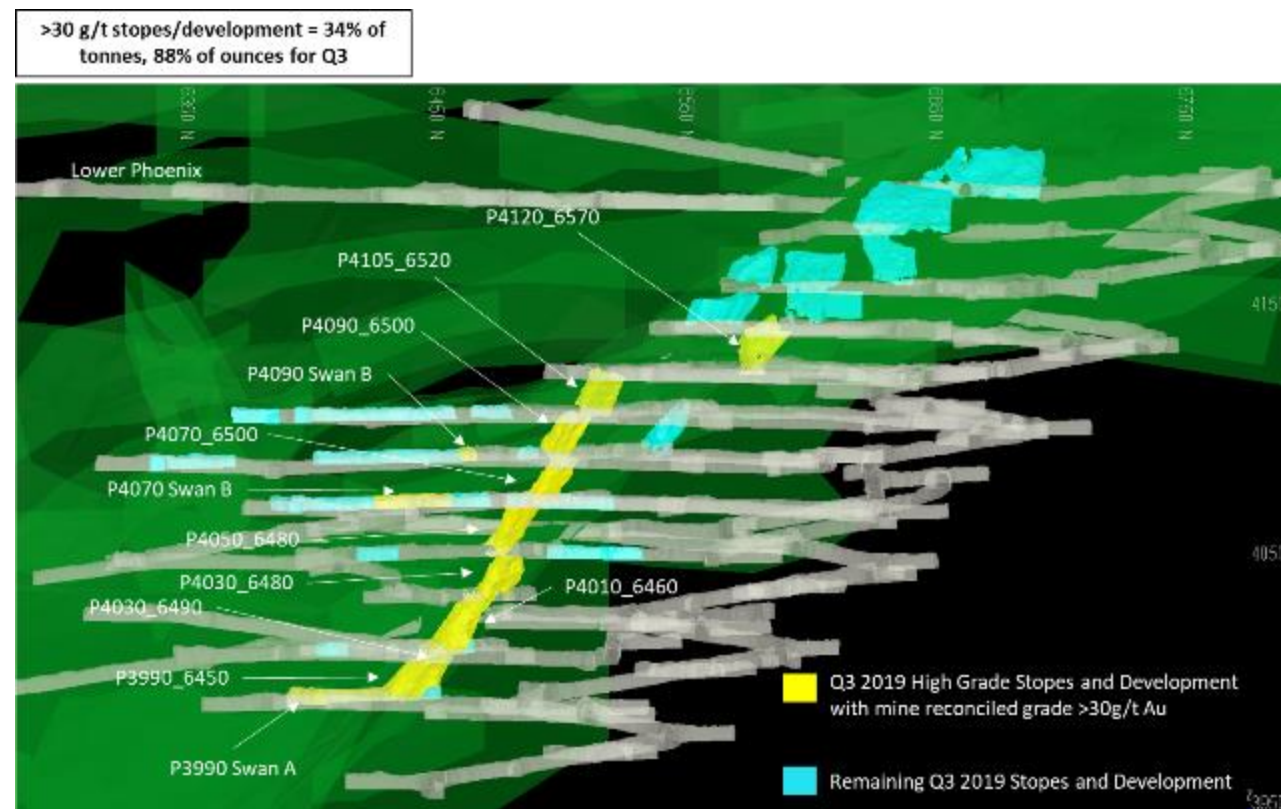
Sustaining: \$23.8 million

Growth: \$11.3 million<sup>2</sup>

## Q3 2019 Earnings from Operations

\$199.5M (\$457.9M YTD)

## FOSTERVILLE Q3 2019 MINE PLAN (KOZS)



## Q1 2019

Tonnes: 140,184

Grade: 29.0 g/t

Recovery: 98.3%

Recovered: 128.4 kozo

## Q2 2019

Tonnes: 111,280

Grade: 39.9 g/t

Recovery: 98.7%

Recovered: 140.7 kozo

## Q3 2019

Tonnes: 119,412

Grade: 41.8 g/t

Recovery: 98.6%

Recovered: 158.3kozs

1. See Non-IFRS Measures section in forward-looking statements slide

2. Excludes capitalized exploration expenditures

# FOSTERVILLE ON TRACK TO ACHIEVE GUIDANCE

2019 MINE PLAN

## YTD 2019 Production

427.5 kozs (84% growth from YTD 2018)

## Strong Unit Cost Performance for YTD 2019

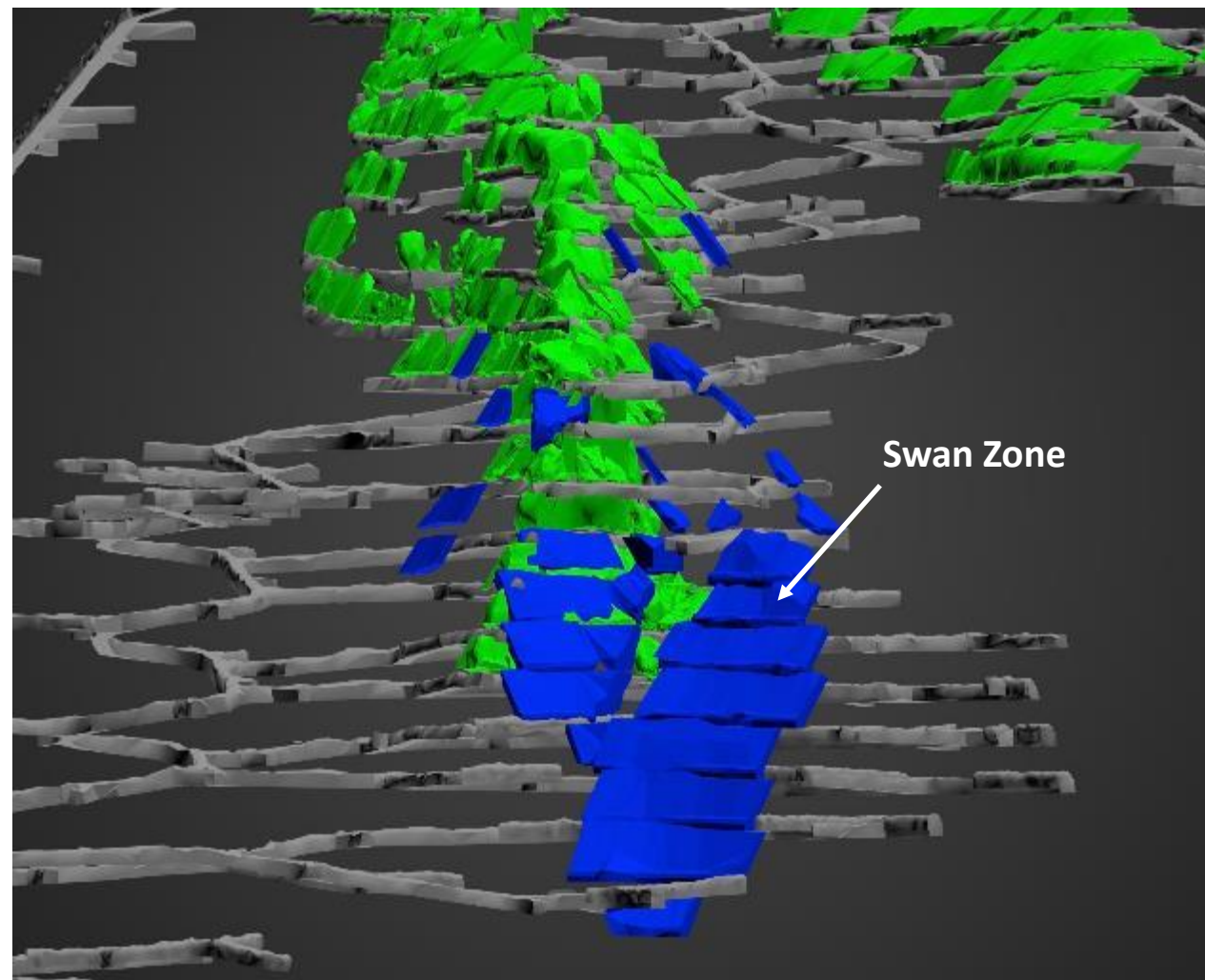
Op. cash costs: \$126<sup>1</sup>/oz; AISC: \$306/oz<sup>1</sup>

## Full-Year 2019 Guidance

Production: 570 – 610 kozs

Op. cash costs: \$130 – \$150/oz

**Production growth planned in  
Q4 2019**



1. See Non-IFRS Measures section in forward-looking statements slide



# NORTHERN TERRITORY ACCELERATING ADVANCED EXPLORATION

## Lantern and Cosmo

Drilling and development continuing  
Resource model update continuing  
Test processing commenced in October 2019

## Union Reefs North/Prospect

Permitting for Prospect decline continuing

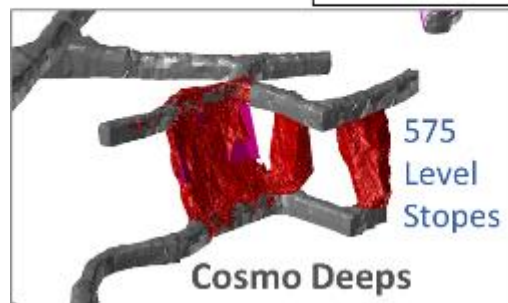
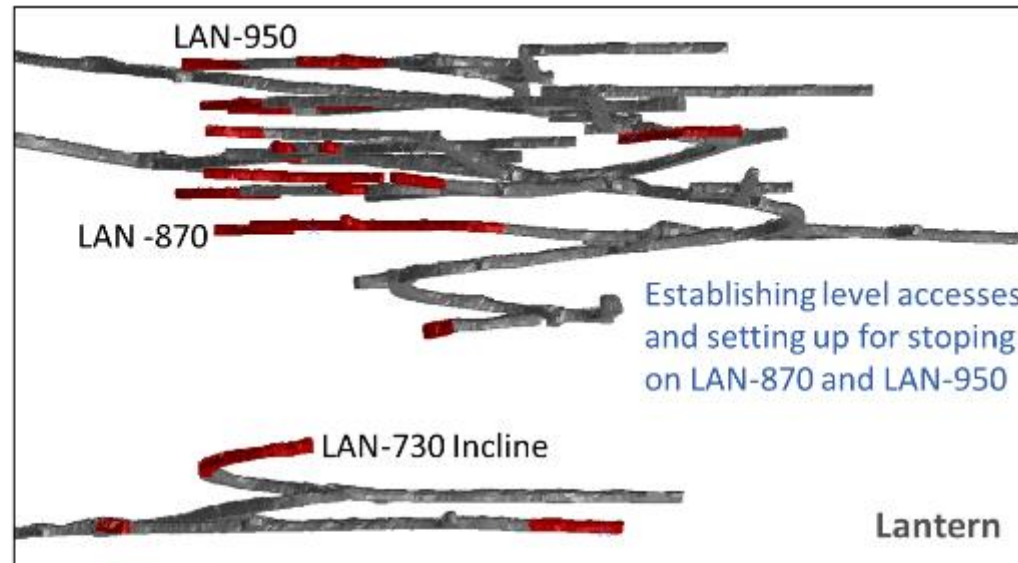
## Union Reefs South/Millars

Drilling in progress

## Pine Creek

Drilling commenced in Q2 2019

## Lantern Deposit



Test processing underway, targeting 10 kozs  
before year end



# MACASSA

## YTD 2019 PRODUCTION OF 184.9 KOZS

MACASSA 2019 MINE PLAN (KOZS)

### Q3 2019 Production

62.9 kozs vs. 55.6 kozs in Q3 2018 and 49.2 kozs in Q2 2019

YTD production of 184.9 kozs, 9% higher than YTD 2018, on track to achieve guidance

### 2019 Unit Cost Performance

Q3: Op. cash costs: \$425/oz<sup>1</sup>; AISC: \$689/oz<sup>1</sup>

YTD: Op. cash costs: \$397/oz<sup>1</sup>; AISC: \$687/oz<sup>1</sup>

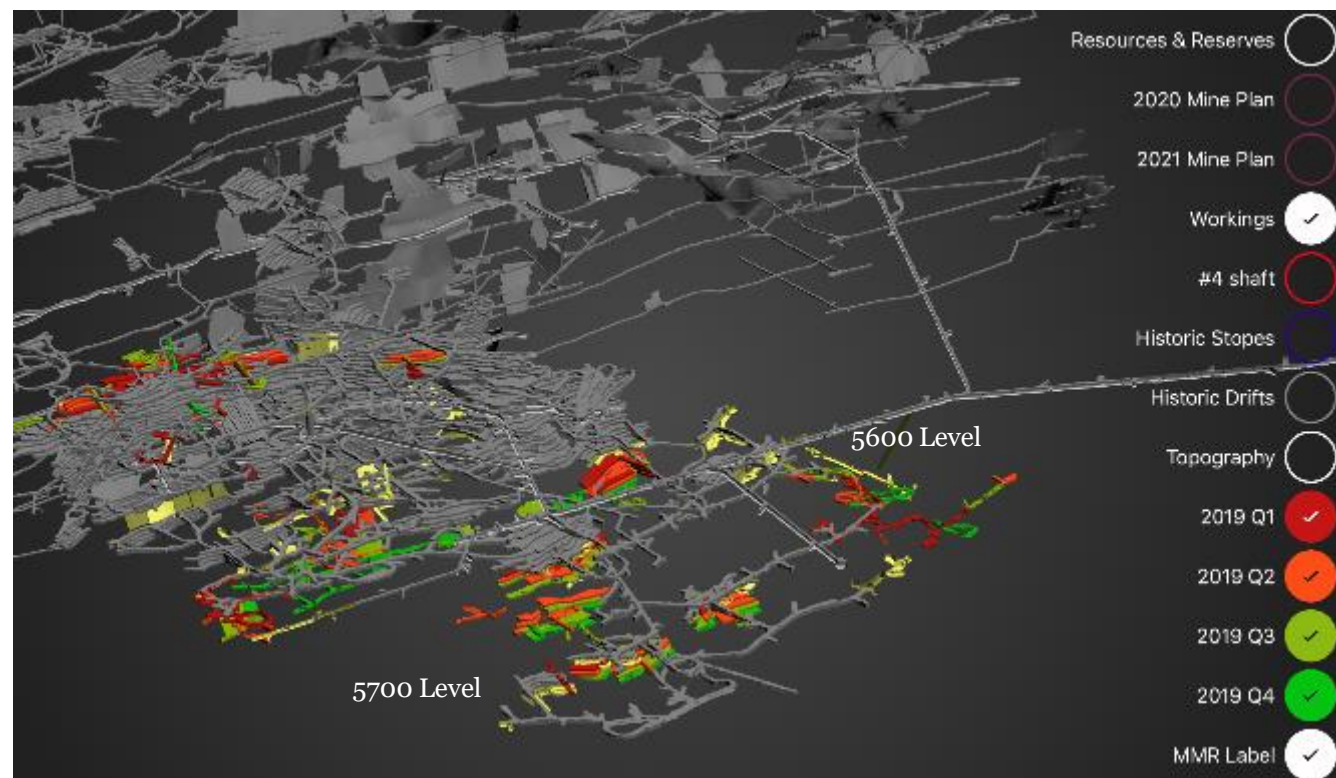
### Q3 2019 Capital Expenditures

Sustaining: \$13.2 million (\$45.3M YTD)

Growth: \$33.8 million (\$91.1M YTD)

### Q3 2019 Earnings from operations

\$50.2M (\$136.0M YTD)



### Q1 2019

Tonnes: 77,990

Grade: 29.6 g/t

Recovery: 98.2%

Recovered: 72.8 kozs

### Q2 2019

Tonnes: 72,681

Grade: 21.5 g/t

Recovery: 97.9%

Recovered: 49.2 kozs

### Q3 2019

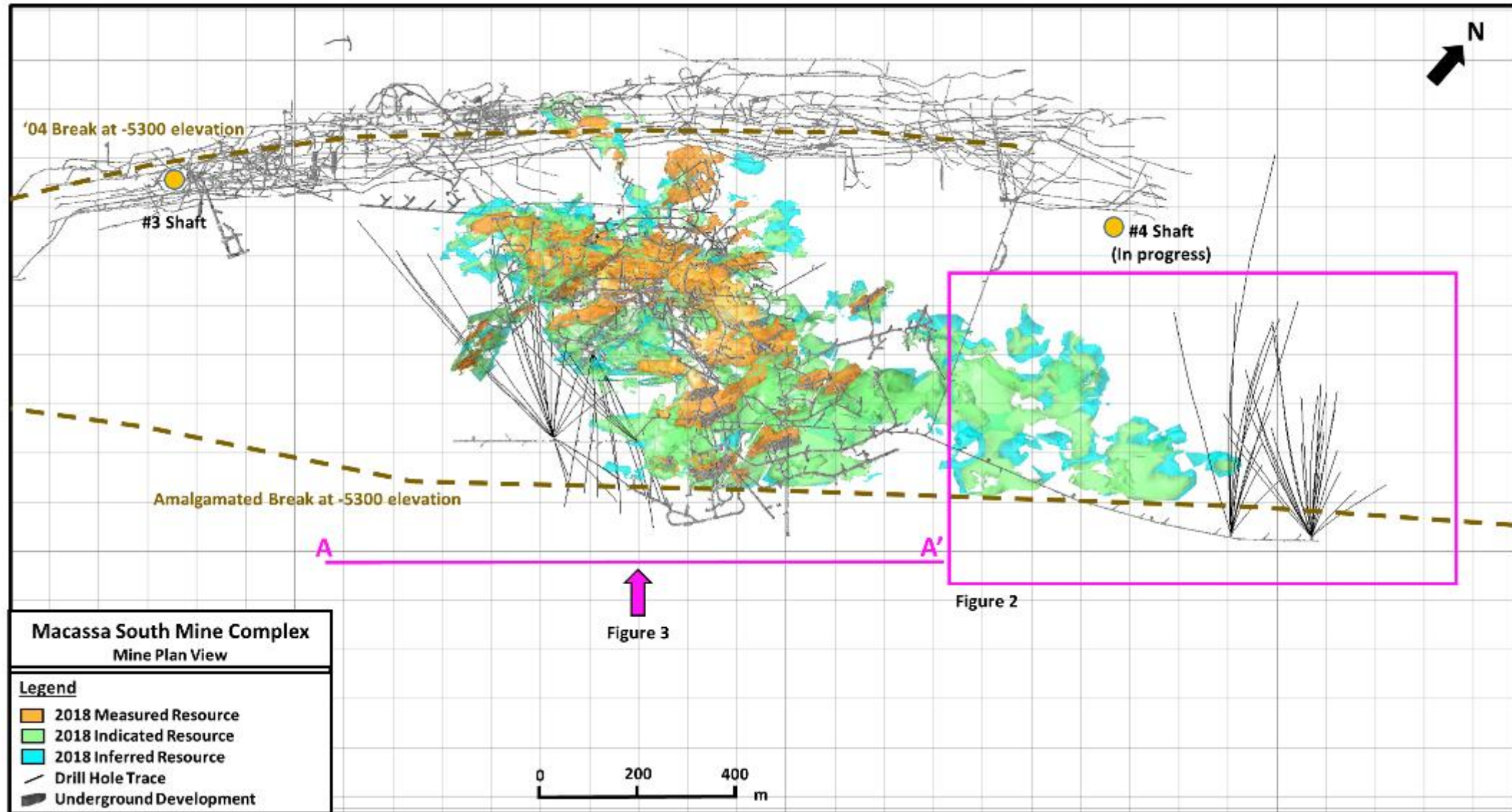
Tonnes: 85,834

Grade: 23.3 g/t

Recovery: 97.8%

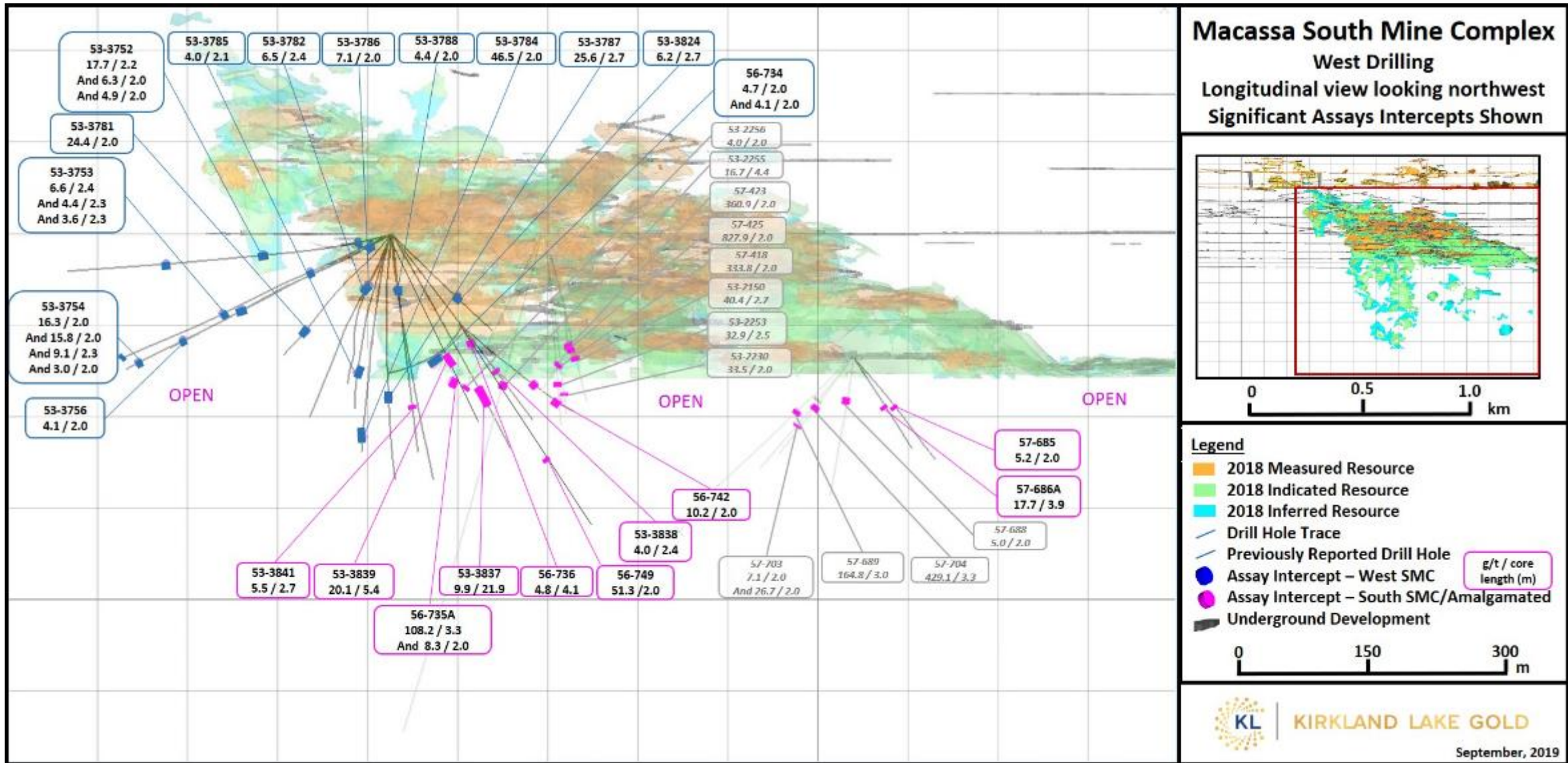
Recovered: 62.9 kozs

# MACASSA: KEY DRILL RESULTS



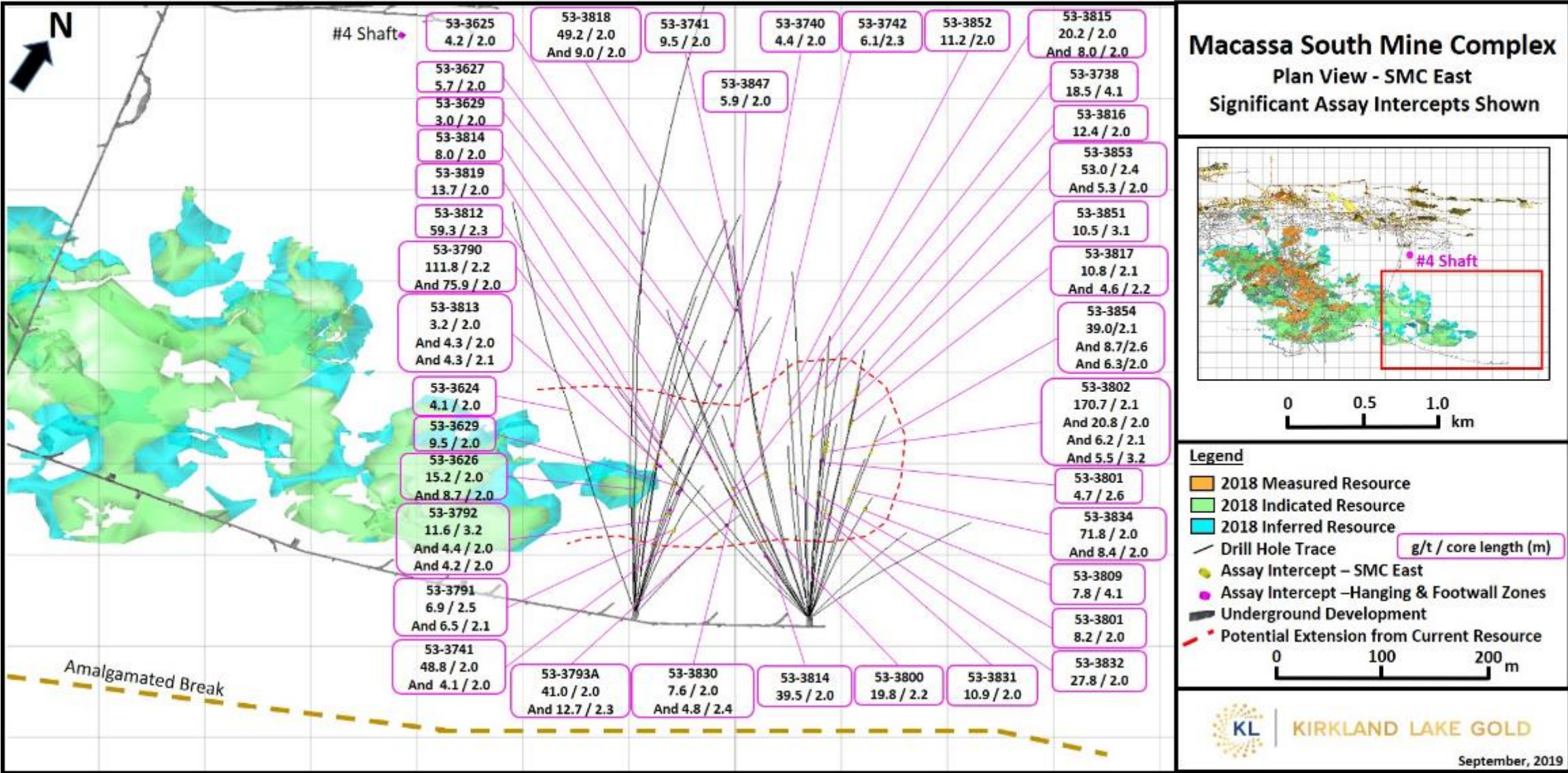


# MACASSA: KEY DRILL RESULTS





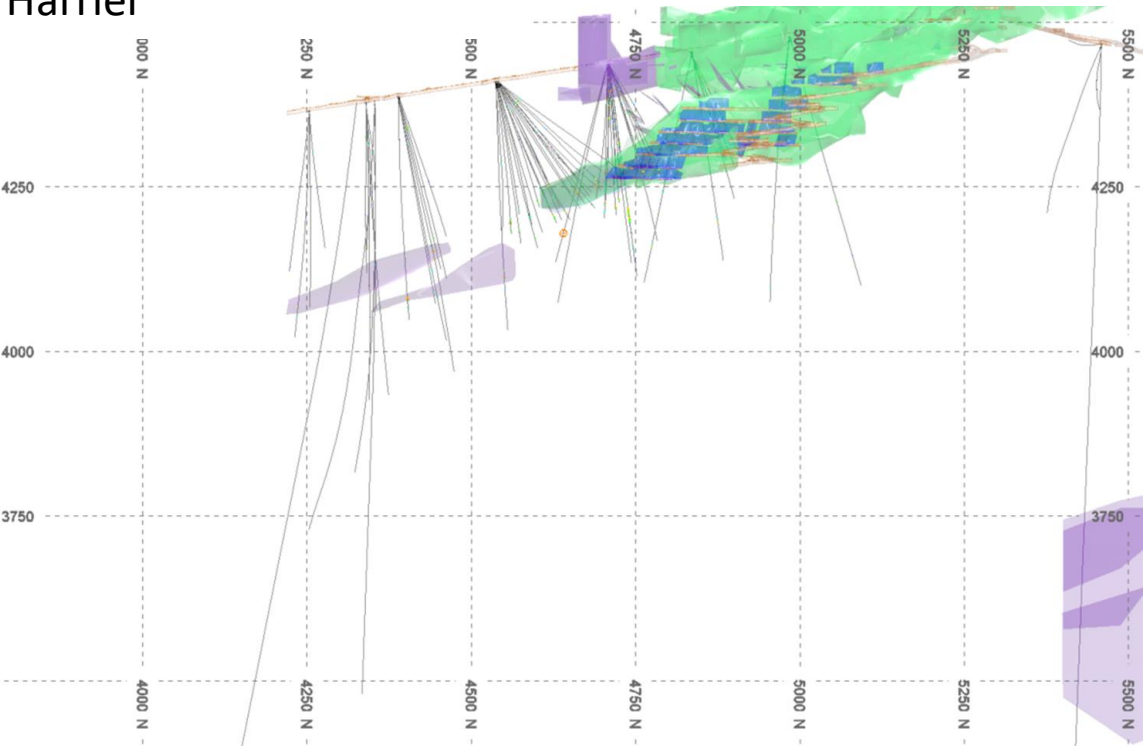
# MACASSA: KEY DRILL RESULTS



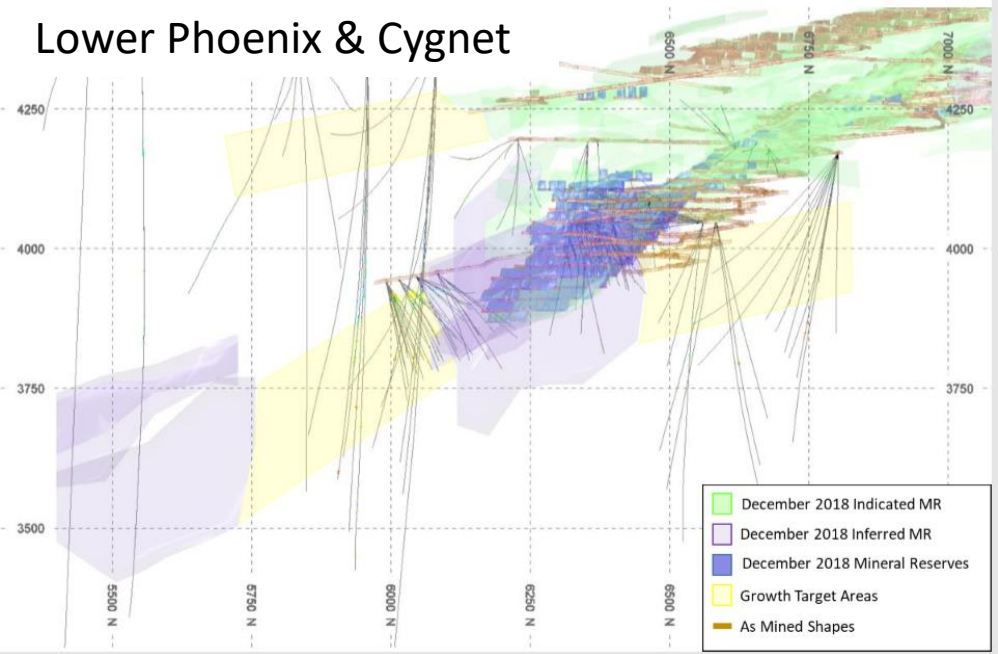


# FOSTERVILLE EXPLORATION MOVING FORWARD

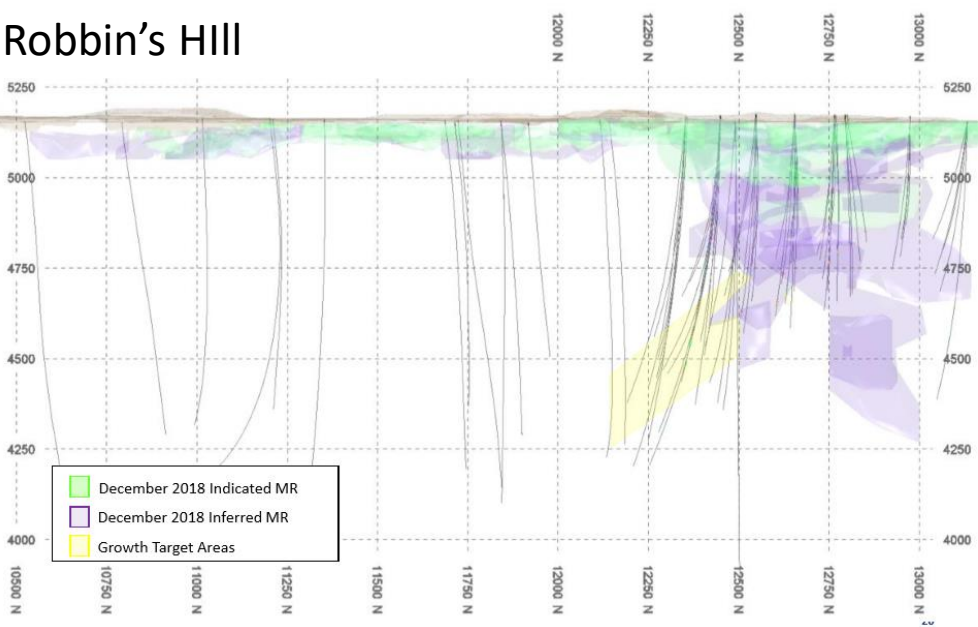
Harrier



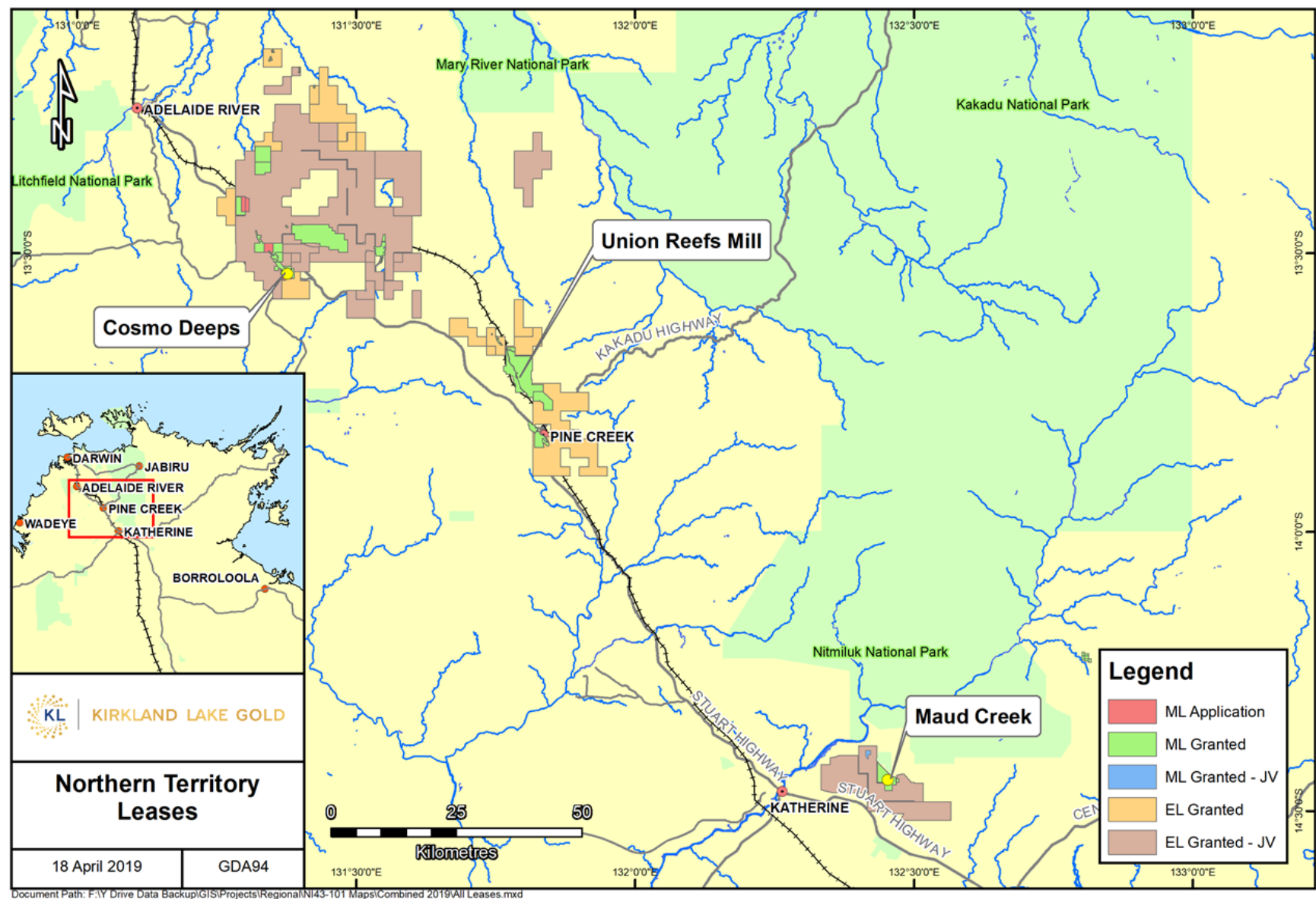
Lower Phoenix & Cygnet



Robbin's Hill



# NT: REGIONAL TARGETS



# KL: SUPERIOR PERFORMANCE – STRONG VALUE CREATION

- Record results in Q3 2019: production, unit costs, earnings, cash flows
- On track for strong finish to 2019; full-year targets include:
  - Production: 950 – 1,000 kozs
  - Op. cash costs: \$285 – \$305 per ounce<sup>1</sup>
  - AISC: \$520 – \$560 per ounce<sup>1</sup>
- Building cash position while internally funding growth
- Increasing dividends, buying-back shares
- Share price increased 70% YTD 2019 (TSX)

1. See Non-IFRS Measures section in forward-looking statements slide

# FOOTNOTES TO MINERAL RESERVES AND MINERAL RESOURCES

## **Footnotes related to Mineral Reserve Estimates (dated December 31, 2018)**

- (1) CIM definitions (2014) were followed in the calculation of Mineral Reserves.
- (2) Mineral Reserves were estimated using a long-term gold price of US\$1,230/oz (C\$1,635/oz; A\$1,710/oz).
- (3) Cut-off grades for Canadian Assets were calculated for each stope, including the costs of: mining, milling, General and Administration, royalties and capital expenditures and other modifying factors (e.g. dilution, mining extraction, mill recovery).
- (4) Cut-off grades for Australian Assets from 0.4 g/t Au to 3.0 g/t Au, depending upon width, mining method and ground conditions; dilution and mining recovery factors varied by property.
- (5) Mineral Reserves estimates for the Canadian Assets were prepared under the supervision of Pierre Rocque, P. Eng.
- (6) Mineral Reserves estimates for the Fosterville property were prepared under the supervision of Ion Hann, FAusIMM.
- (7) Mineral Reserves estimates for the Northern Territory property were prepared under the supervision of Pierre Rocque, P.Eng.
- (8) Mineral Reserves for Fosterville relate to Underground Mineral Reserves and do not include 649,000 tonnes at an average of 7.7 g/t for 160,000 ounces of Carbon-In-Leach Residues - 25% recovery is expected based on operating performances.
- (9) Totals may not add exactly due to rounding.

## **Footnotes related to Mineral Resource Estimates for Canadian Assets (dated December 31, 2018)**

- (1) CIM definitions (2014) were followed in the calculation of Mineral Resource.
- (2) Mineral Resources are reported Exclusive of Mineral Reserves. Mineral Resources were calculated according to KL Gold's Mineral Resource Estimation guidelines.
- (3) Mineral Resource estimates were prepared under the supervision of Eric Kallio, P. Geo. Senior Vice President, Exploration.
- (4) Mineral Resources are estimated using a long-term gold price of US\$1,230/oz (C\$1,635/oz).
- (5) Mineral Resources were estimated using a 8.6 g/t cut-off grade for Macassa, a 2.9 g/t cut-off grade for Holt, and a 2.6 g/t cut-off grade for Taylor, a 3.9 g/t cut-off grade (Holloway), a 2.5 g/t cut-off grade for Canamax, Card, Runway and Ludgate, a 2.2 g/t cut-off grade for Hislop and 0 g/t cut-off grade for Aquarius.
- (6) Totals may not add up due to rounding.

## **Footnotes related to Mineral Resource Estimates for Australian Assets (dated December 31, 2018)**

- (1) CIM definitions (2014) were followed in the estimation of Mineral Resource.
- (2) Mineral Resources are estimated using a long-term gold price of US\$1,230/oz (A\$1,710/oz)
- (3) Mineral Resources for the Australian assets are reported exclusive of Mineral Reserves.
- (4) Mineral Resources at Fosterville were estimated using cut-off grades 0.7 g/t Au for oxide and 1.0 g/t Au for sulfide mineralization to potentially open-pit depths of approximately 100m, below which a cut-off grade of 3.0 g/t Au was used.
- (5) Mineral Resources in the Northern Territory were estimated using a cut-off grade of 0.5 g/t Au for potentially open pit mineralization and cut-offs of 1.0 to 2.0g/t Au for underground mineralization.
- (6) Mineral Resource estimates for the Fosterville property were prepared under the supervision of Troy Fuller, MAIG.
- (7) Mineral Resource estimates for the Northern Territory properties were prepared under the supervision of Owen Greenberger, MAIG.
- (8) Totals may not add up due to rounding.



# MINERAL RESERVES AND MINERAL RESOURCES

## ***Cautionary Note to U.S. Investors - Mineral Reserve and Resource Estimates***

*All resource and reserve estimates included in this news release or documents referenced in this news release have been prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "CIM Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators, which established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the CIM Standards. These definitions differ materially from the definitions in SEC Industry Guide 7 ("SEC Industry Guide 7") under the United States Securities Act of 1933, as amended, and the Exchange Act.*

*In addition, the terms "Mineral Resource", "measured Mineral Resource", "indicated Mineral Resource" and "Inferred Mineral Resource" are defined in and required to be disclosed by NI 43-101 and the CIM Standards; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the U.S. Securities and Exchange Commission (the "SEC"). Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in very limited circumstances. Investors are cautioned not to assume that all or any part of a Mineral Resource exists, will ever be converted into a Mineral Reserve or is or will ever be economically or legally mineable or recovered.*

## ***Qualified Persons***

*Natasha Vaz, Vice President, Technical Services is a "qualified person" as defined in NI 43-101 and has reviewed and approved the technical information in this presentation.*